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SATURDAY NIGHT

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THE CANADIAN ILLUSTRATED WEEKLY

The Front Page

The Eve of The Battle

MR. CHURCHILL on Sunday was talking to the armed forces of the United Kingdom. He was talking to them in their own language. He talked about tearing the "guts" out of the Germans, and there was a light touch of Cockney about his accent which is never heard when he speaks in the House.

Mr. Churchill was not speaking to the outside world, and he was not canvassing for votes. He was preparing to win a battle, not an election. Men fight better for a country which they know is thinking of them and planning for their future and that of their loved ones.

He was talking to the armed forces and to the wives and sisters and sweethearts whom they have left in the great towns and little towns and villages of England and Scotland and Wales and Northern Ireland. He was telling all these people in effect that there are going to be jobs and homes for the men to come back to; that the nation which can defeat Hitler on the continent of Europe can also defeat housing shortages at home and postwar depressions and the other things that worry the fighting man when he is not busy fighting.

He was telling the armed forces and their loved ones just what needs to be told them on the eve of the most terrific struggle that Britain and her allies have had to wage in all their history—for in this struggle there will be concentrated into a few weeks or months a great deal of the anguish and effort and sacrifice which in the last war were spread over long years of "attrition." He was stirring into fresh flame that love of the homeland and hope for its future which have been a little cooled by long years of standing-to under arms or of fighting under alien skies. He was assuring the men and women who are going to save civilization that their rulers have not forgotten to provide for their security and happiness when civilization has been saved.

It would be excellent if somebody in high position in Canada could speak to the Canadian armed forces in just the way Mr. Churchill spoke to those of Great Britain. There is much that he could tell them. We have not done so much about housing, but the problem is not quite so urgent with us for none of our houses have been bombed. We have certainly done a great deal, probably more than any other nation, about the education and training and equipment of the demobilized forces for their restoration to civilian life. We are doing a lot about health and a lot about jobs. We are telling the forces about these things in various excellent publications; but a few sentences of spoken reassurance in common practical terms would be very valuable. It has to be done by a man whom everybody believes to have the power to do what he is talking about. It might be Mr. King; it might be Mr. Ilsley; it might be Col. Ralston; it might very well be the man whom great numbers of the fighting men, even outside of his own air force, designate affectionately as "Chubby" Power.

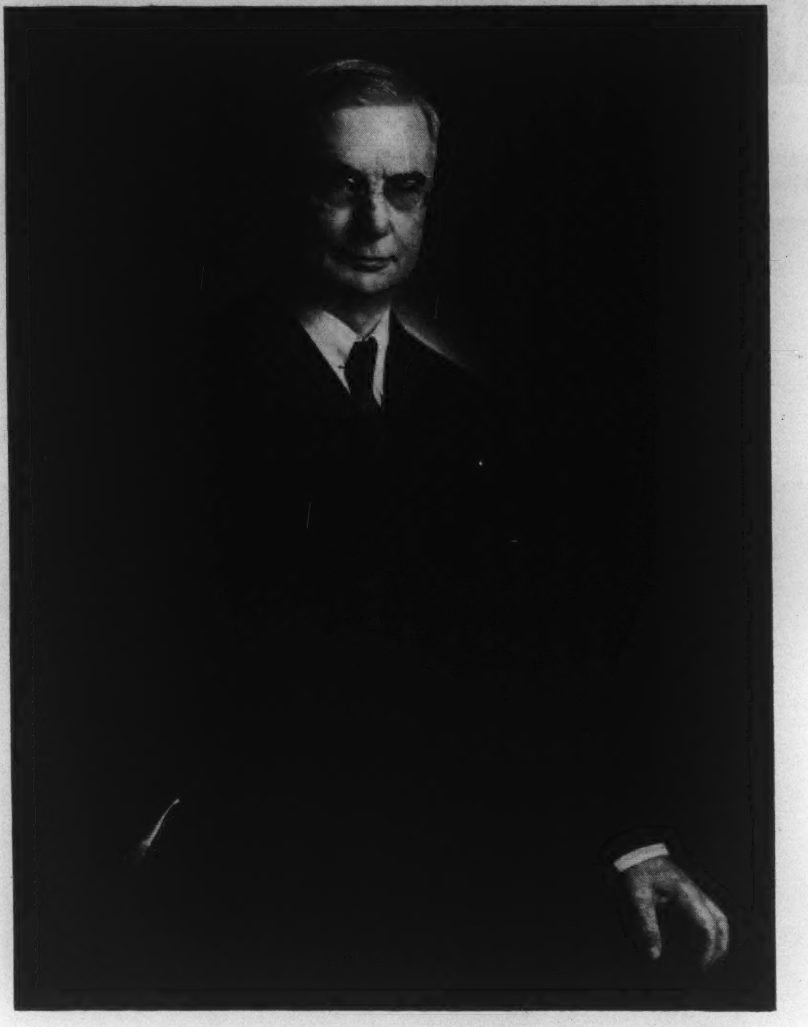
New Government Bank

WE HAVE never had much sympathy for the proposal that the government should lend money to private enterprisers to carry on enterprises for which they could not get credit from private lenders. Our objection to this proposal is because of two considerations which taken together we believe to be of overwhelming force. The first is that the would-be borrowers will not be scrutinized with anything like the same care by government officials as they would be by the agents of private lenders; and the second is that these same borrowers will be able to apply pressures to the government officials, in the shape of blocks of votes in the elections, which they could not

(*Continued on Page Three*)

Photograph by Karsh

Sir Edward Peacock, eminent Canadian-born financier in England, is doing a notable work for Canada as Chairman of the Overseas Committee of the National War Services Advisory Board. He is a former director of the Bank of England. This portrait was taken for Saturday Night a few months ago.



HON. WILLIAM F. A. TURGEON, K.C. *Photo by Karsh.*

NAME IN THE NEWS

This New Brunswick Westerner Is a Citizen of the World

By COROLYN COX

WHENEVER the Hon. William F. A. Turgeon, K.C., is appointed to do one more job for Canada, the choice is hailed by his fellow-citizens of all political complexions as "genuine", based on merit and the respect that his personality commands. We have sent him now to be Canada's first Ambassador to Mexico, and have given the Mexicans something they understand and value. Our neighbors two doors south have the highest regard for the elder statesman, the scholar and philosopher, and value academic qualifications above convivial predilections. They and Mr. Turgeon seem likely to be happy with each other.

Though looked upon as a Westerner, Turgeon was born in Bathurst, New Brunswick, sixty-four years ago. His early schooling was done in the United States, while his father edited a French language paper in New York City. He took his B.A. at Laval University in Quebec City.

The law, says Mr. Turgeon, is an obvious choice for young Canadians, since it is easier and less costly to read law than to qualify as a doctor or engineer, and it opens the door to more different kinds of positions than any other study. Articled to the late C. J. Milligan in Saint John, Turgeon was admitted to the New Brunswick Bar in 1902.

Turgeon answered the call of the West of that day, went out to Prince Albert when it was just a spot in the North West Territories. Judicial centres were few and far between, each serving enormous stretches of sparsely settled territory. He and the late Mr. Justice Lamont of the Supreme Court hung up their shingle together, took any kind of legal work that came their way, and both established enviable reputations. Turgeon was Crown Prosecutor for the Dominion Government at the age of 26, and in that capacity served as one of the legal architects who carved the Province of Saskatchewan out of the North-West Territories in 1905. Lamont was its first Attorney General, and when two years later he resigned to sit on the Supreme Court, Turgeon succeeded to the post.

Law and politics have been Mr. Turgeon's chief interests throughout his life, and by politics he means serving the development of his country, not vote gathering. He is industrious, rather than personally ambitious, a steady builder with the enduring spirit of the successful pioneer. He stood four elections to remain as Attorney General of Saskatchewan from 1907 to 1921. After that he went to the Court of Appeal and was made Chief Justice in 1938.

His quiet life on the bench never became humdrum, for he diversified it with distinguished service on Royal Commissions. He chaired the 1923 Royal Commission enquiring into the marketing of Canadian wheat, as a result of which a new Grain Act was introduced in Ottawa. Transfer of the Natural Resources of Manitoba to the Provincial Government led to his chairing another Royal Commission in 1928, and he established a fine reputation for his constructive work in matters arising out of the development and growth of the West. When huge defalcations at the University of Manitoba brought about a public scandal, Mr. Turgeon was chosen to head the Commission that straightened out the mess.

The Textile Tangle

Next tangle submitted to Mr. Turgeon's detached and judicial consideration was Canada's Textile Industry. This time he was a one man Commission to enquire into it, turned in a comprehensive and thorough report in 1936. He also did a "solo" covering the Grain Marketing Industry.

Although Mr. Turgeon deliberately chose to stay in the West and to identify himself with its progress despite flattering opportunities to come east, he was never by any means buried out there. His interest in international affairs was always keen, and his knowledge of other countries grew through the fact that his wife took the five Turgeon children to acquire a considerable part of their education in Paris. Mr. Turgeon joined them there for several months every year, came to know Europe personally and well.

War brushed aside one of the most interesting honors that might have come to Mr. Turgeon. In 1939 the Canadian National Committee of Jurists nominated him for election to the World Court, the Permanent Court of International Justice that sat for twenty years at The Hague.

Two and a half years ago, with the war crisis full upon us, Mr. Turgeon was chosen to initiate our direct diplomatic contacts with South America. He was appointed Minister to both Chile and the Argentine, opening a Legation and taking up his residence in Buenos Aires. Our affairs with Chile he managed through regular visits to that country from Argentina, until last year when Warwick Chipman was appointed Minister to Chile.

Diplomats Are Short

Plenty of Canadians would like to take a shot at one of our fast multiplying diplomatic posts, feel they would be quite good at the job. But as a matter of fact it is extremely difficult to find enough of the right kind of men to fill the offices we ought to be setting up as fast as we can. Ottawa is too busy to spend much time grooming the inexperienced. Diplomatic relations in this war that thrashes hither and yon across the world's surface are too serious to handle with back-slapping bonhomie. Mr. Turgeon set forth experienced in government procedure, a man of vision as to the possibilities of growth in new enterprises, equally at home with either Latin or Anglo-Saxon culture, a Roman Catholic and equipped with the requisite language qualifications.

By no means what could be called a "mixer", Mr. Turgeon is a charming and sincere host, and has a nice dry sense of humor that is like salt on an egg, specially under difficult circumstances. Life has been strenuous in the Argentine. Buenos Aires is a big city, actually third largest in this hemisphere, coming next to Chicago. European and with no vestige of the "colonial" about it, it stands today far removed from war. Social life in the diplomatic circle has undergone none of the blackout we are accustomed to in Ottawa, and it is hard to get enough sleep. People rise to begin their days about the same time we do, and then dine at 10.30 at night, and endless receptions go on after dinner. So accustomed are the servants to these hours that it is difficult for a Minister, on rare nights when he can be at home alone with his family, to get the dinner on the table earlier than nine-thirty. The long hot season there—temperatures just now in the northern section run round 115 in the shade—prove a handicap similar to our over-long winters of cold. With the banana belt in the north and frozen Patagonia on the extreme south, Argentina has a wide variety of climate. Its 13 million people are a white race, chiefly Spanish and Italian. Mr. Turgeon has travelled widely among them, produced excellent reports back to Ottawa, is credited with handling our affairs with statesmanship during a disturbed period of Argentinian politics.

Now he is off again, facing the trying problems of once more setting up a diplomatic "plant" from the beginning, the search for offices and home for himself and his family, all the preliminary trail breaking that is so fatiguing. You can't help feeling that future Canadian diplomats will have a happy task in following behind this kindly, competent, scholarly gentleman. Mexico for him is likely to prove less difficult but not less interesting than the Argentine.

FOOTNOTE

DESIGNERS, when you come to choose
Fashions for tomorrow's shoes,

Let me file my application
For some prestidigitation—

Make the inside feel size nine
To accommodate these feet of mine

And make the outside look size three
To accommodate my vanity!

—MAY RICHSTONE.

DEAR MR. EDITOR

French Canada's Idea of Freedom: and the "No-Commitment Boys"

Editor, SATURDAY NIGHT:

IN FATHER Dugré's absence, I feel that I should write you a few lines in answer to your query "What is the freedom that French Canada desires to reassert?"

Father Dugré writes: "Three attitudes are possible to a people which has been conquered or ceded, when its conqueror is again engaged in war: to rise in revolt . . . to remain neutral . . . to aid the conqueror". (I will not quarrel with you for picking a bone with Fr. Dugré about the "conquest" business).

Fr. Dugré says explicitly in the same paragraph that French Canada has chosen the third way: ". . . The last is the uttermost than can be asked, and we are doing it. . ." Nowhere in his article does he advocate revolt to reassert some form of political freedom in an independent state.

It is regrettable that your article should be concerned exclusively with the first hypothesis, brushed aside by the author himself. If you had given a little more attention to the remainder of a 3000-word article, you would have found the answer to your question: "What is the freedom that French Canada desires to reassert?"

It is the freedom of a full cultural expression for French Canada (which extends both ways beyond Quebec) which is too often tampered with in Quebec and grossly denied outside of Quebec. At the moment of our discussing "freedom" for French Canada, French schools in Ottawa, under the very eyes of the Government of our bilingual country, are practically forced to close under the economic pressure of an unjust system of school taxation. One example out of a hundred.

May I invite you to read over through and through Fr. Dugré's article and you will agree with me that the author is not a would-be rebel, a separatist or an isolationist. He just simply asks what you yourself state strongly (in italics): "I want French Canada to remain in Canada and to remain French", but with all its logical consequences in the cultural field.

JEAN D'AUTEUIL RICHARD, S.J.
Editor, "Relations".
Montreal, Que.

Salesmanship

Editor, SATURDAY NIGHT:

I IMAGINE you must have groaned when you read Mr. Armstrong's letter on "Salesmanship" which apparently was inspired by your editorial "Of Low Professions" and which seems to be based upon a complete misunderstanding of your editorial.

In the first place, the late depression was not prolonged by a lack of salesmanship. Economists, we believe, are agreed that the chief cause of the late depression was a lack of purchasing power, against which the best salesmanship was unable to prevail.

In the second place, we fear it will be painful to many people to learn that Jesus Christ was the supreme salesman, and that the Bible is about the only place where one can learn to sell more sausages than one's competitor.

Against such spurious spirituality one can only reply with a paraphrase of a sentence from the late Irving Babbit: "The transformation of Jesus Christ into the supreme salesman must seem to austere Christians, if there are any left, a sort of second crucifixion".

Brantford, Ont. J. B. MCTAGGART.

Henry Wentworth Monk

Editor, SATURDAY NIGHT:

I AM engaged in writing a study of the life of Henry Wentworth Monk (1827-1896), friend of the Jews, pioneer of world peace, and subject of the portrait by Holman Hunt that hangs in the National Gallery at Ottawa.

Monk was a native of Ottawa and a member of a distinguished family whose representatives are scattered throughout Canada as well as in Britain. I would be grateful to hear from any members of the family, or others, who have letters, diaries, documents or other material referring to Henry Wentworth Monk in order to complete the available record of his life.

R. S. LAMBERT.
2904 Yonge St., Toronto.

No-Commitment Boys

Editor, SATURDAY NIGHT:

ONE of the most amazing things in Canadian life is the hatred of Canadians for the American isolationist, while at the same time they tolerate and even support the home product.

Mention the name of Senator Wheeler, Senator Nye and company to a Canadian, and he gets hot under the collar, says Russia knew how to deal with such, and look at the good results. Your ordinary Canadian would gladly shoot every American isolationist.

Yet in Canada our isolationists have got away with it. The no-commitment boys, with a hypocrisy that would make a two-faced goddess blush, are still to a large extent running the foreign policy of Canada.

And it has all been done by a very simple trick—the inventor, that nineteenth century Liberal, old John Dafoe, of the Winnipeg *Free Press*. This is the policy of no commitments, except to a complete world League of Nations—after every one else has thrown their hats in.

Between wars we never made a commitment, because all the nations of the world could never get together. This is the beautiful thing about this policy, you never have to make a commitment. Instead we have a world war each generation, for which we are totally unprepared.

Suggestions are being made now—British Empire—U.S. alliances, British Commonwealth alliances, etc. All of which could be used as a stepping-stone or halfway house to a future world League of Nations, if the other nations wish to travel along with us.

Curtin, Smuts, Halifax, all have advocated recently the getting together of Commonwealth nations, in an attempt to work out a future policy, but listen to the isolationists howl. The same old story—no commitments except to a complete world League. And, with French-Canadian help, they have every political party scared stiff.

Victoria, B.C. H. J. DAVEY.

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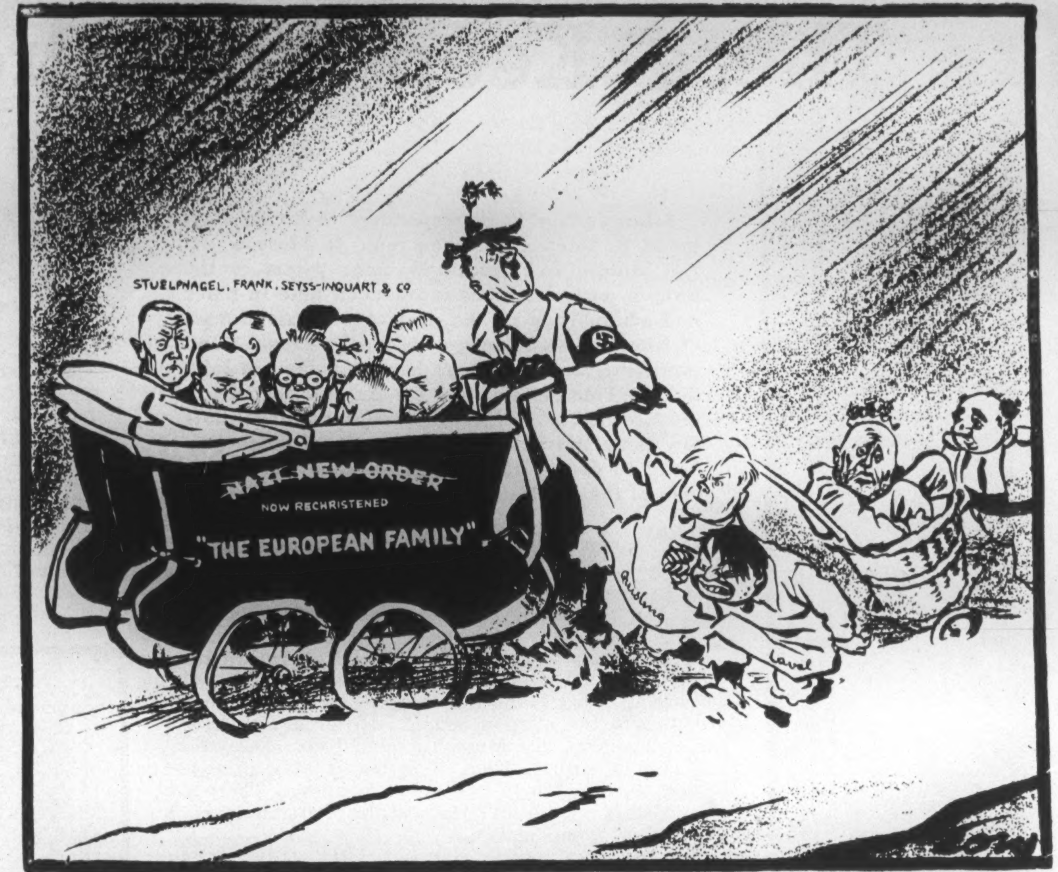


"HI, YOU! IF YOU WON'T CONSIDER ME. THINK OF THE LITTLE ONES"

(Copyright in All Countries)

The Front Page

(Continued from Page One)

apply to the agents of private lenders. Or to put it in another way, governments are less anxious not to lose what they lend, and more anxious not to offend by refusing to lend, than ordinary lenders.

There is at present under consideration at Ottawa a project for creating a new kind of government bank, to be known as an Industrial Development Bank, which is to ensure "the availability of credit to industrial enterprises which may reasonably be expected to prove successful," with particular consideration to small enterprises. These phrases describe the mode of operation, but the basic idea is contained in another phrase in the preamble which speaks of "increasing the effectiveness of monetary action." This is a phrase which could hardly have appeared in a Bill brought in by a Liberal Government, and certainly not in one brought in by a Conservative Government, at any time before three years ago; it is one which might almost have been created by the late Mr. Aberhart himself. But it has had the effect of disarming opposition to the Bill, by creating the impression that it is merely one of the legitimate devices for ironing out the trade cycle by supplementing the capital ventures of private investors with a certain amount of government investment. The Bill may be one of the devices for that purpose, but we hasten to add that in our opinion it is not a legitimate one.

FOR FAITH

SO MANY times I see, as in a dream,
The little church upon the busy street
Where we would leave the rush and noise to meet
In shadowed peace and altar candle's gleam.
Do you remember how it used to seem
As though the very boards caressed our feet
While all the air was cool and incense-sweet
When we kneeled down in prayer and love supreme?

Your hand in mine as we would rise to light
The vigil tapers at the holy shrine;
Always the lowest tapers at the right
And always yours to stand aglow by mine.
Now—now we kneel to say the prayer of pain,
But we shall rise to light our lives again.

GILEAN DOUGLAS

Probably all Canadians share in the desire to iron out the trade cycle, which is obviously the only way in which wide fluctuations of employment can be prevented. Most of us probably share the idea that this cannot be done without occasional injections of money on the credit of the nation. But very few of those who have seriously considered the matter have any affection for the idea of injecting this government money by lending it to private interests for enterprises which, however much they "may reasonably be expected to prove successful," are not so expected to an extent which would make them successful applicants for loans of private money.

When government funds need to be injected into the blood stream of the nation's economic life, they should be put in by way of government enterprises which, if they do not yield cash return sufficient to pay the interest, will at least yield a utility return in the realm of public benefits. They should not be loaned to people who want to do something which will probably compete with other people who put in their own money or got their loans in the ordinary market manner; and particularly they should not be loaned by people whose main object is not to make good loans but to "increase the effectiveness of monetary action."

It Isn't Banking

IT IS quite correct to say that the Industrial Development Bank will not compete with the chartered banks; but that is really only a way of saying that it will not be a bank at all, except in the sense in which our American friends use that term when they talk about "investment bankers"—a use which is not permitted in Canada. In other words the loans which the new bank makes will not be secured upon promptly saleable collateral, but will be more in the nature of bond issues of relatively short date. It is indeed explained that one of the bank's objects is to facilitate the purchase by private interests of industrial properties now belonging to the government; and it is, we fear, extremely likely to be used for the purpose of disguising for several years the fact that these properties have really not passed out of the government's hands but have merely been replaced among its assets by a more or less dubious lien. If the bank goes further, and lends the acquirers not only the value of the government property but the money with which to reconvert it, the situation becomes worse and worse; the properties might be recovered but the reconversion money in many cases probably will not.

In cases where a large going concern and a small newly organized enterprise are competing for the purchase of such a plant, the new enterprise will have all the breaks, for it will get a government loan for several years, probably very close to the full amount of capital required and at a low rate of interest, whereas the large concern would have to do its own financing and take a real risk.

The best argument in defence of this arrangement is that there exists no financing organization devoted to floating in the investment the fixed securities of *small* enterprises. This argument has some validity; bond houses do not like to sell issues of less than a million dollars, and particularly they do not like to sell issues whose quality depends largely upon the character and ability of managers and directors who are known only to their immediate neighbors in a small community. This has long been recognized as a weak spot in the financial set-up of Canada; but the remedy does not lie in making government loans too readily available to borrowers just because they are small.

If there were any assurance that this new bank would always be run by men like Mr. Graham Towers our objection to it would be minimized, for we believe Mr. Towers has a most accurate idea of the amount of capital that should be put up by the owners, and the kind of design and management that should be assured, before the money of any lender, be it a government or a millionaire or a widow and orphan, should be added to the pile. In other words we believe him to be a thoroughly sound banker. But we have it on the authority of the greatest of English poets that even "the cloud-capp'd Towers, the gorgeous palaces, the solemn temples" shall dissolve and leave not a wrack behind; and when that happens there will still be the statute which Parliament is now adding to the great mass of our reconstruction laws, and who knows by whom it may then be administered? And who knows who will then be appointing the administrators?

Foundations Well Laid

MR. JUSTICE McTAGUE, after a year or more of the most searching light that has ever beat upon an occupant of a seat on the Canadian Bench, has retired once more to the relative obscurity of an ordinary court; and we must not repine thereat, for the ordinary courts, to which the public now pays so little attention, urgently need men of the quality which he has shown himself to possess. Nevertheless we believe that the work which he has done during the past year, and which has earned him the respect and confidence of practically everybody who had anything to do with it, has been more important to the nation than even twenty years of highly judicious decisions on the Bench.

He has laid down the basic principles for dealing with an entirely new kind of legally enforceable rights, the rights of collectivities of workers in relation to the terms of their employment; and he has done so in a manner which has vastly enhanced the confidence of the owners of those rights that they will be respected and effectively upheld by the administrators of the law. He has also taught those owners—the collectivities of workers—that there are no rights without limits and boundaries, and no rights without obligations. He has greatly influenced the course of labor legislation during a very difficult period, and some of the documents which he has produced will long be classics in their field. That the wage legislation which he had to enforce eventually became unenforceable was no fault of his, and perhaps no fault of anybody's. That organized labor today looks forward to the postwar period with confidence in its own legal position and therefore with an inclination to co-operate with other interests in the necessary adjustments is largely due to his farsighted attitude. The country is greatly in his debt.

Railway Elasticity

A CHANGE from 13 billions of revenue ton miles in 1934 to 36 billions in 1943 is a staggering event in the history of a railway system. It is the event which happened to the Canadian National Railways in those nine years; indeed most of its impact was more rapid than that, for in 1938 the ton mileage was still well below 15 billions. The elasticity of organization which has enabled the system to look after this tremendous increase at a time when war priorities prevented any great increase in equipment is something for which the Canadian people, and indeed the whole of the United Nations, should be very thankful. This immense traffic was handled with a very moderate increase in operating expense and, as the Report points out, with no lowering of the recognized standards of safety, and with a high standard of promptitude and punctuality.

The management of the C.N.R. realizes that these conditions are not permanent, and that new methods of operation and new types of service will be called for after the war. But with anything approaching "full employment" in Canada there should be no reason to fear a recurrence of the conditions of the early '30s, when sheer lack of traffic presented problems as great as its excess presents today.

The Passing Show

NOW if only Mr. Drew had added a picture of Mr. King to his placard about the beer restrictions, thus making the Dominion Prime Minister into Ontario's pin-up man!

•

Simple (and simple-minded) idea for solving the Eire problem: Put the German and Japanese diplomats on their honor not to transmit any information.

•

The New York *Post* says that neutrality is an absurdity, thus proving that the Irish are absurd and the Americans stopped being absurd only after Pearl Harbor.

•

Even if there is no Second Front, there is at least a Back which the Eastern Front will eventually be pushed up against.

•

The Japanese were told at first that their hope of victory lay in a short war. Now they are told that it lies in a long one. There is still Professor Morgan's "Permanent War" left as a possibility.

•

Discount; Ninety-Nine Off

Sir Richard Cartwright (You've heard of him,
A glittering Parliamentary star)
Declared the prospective C.P.R.
Had a future terribly dark and grim.

It was but one of the Tory steals
To strip poor Canada to the buff
And its income never would be enough
To buy the grease for the coaches' wheels.

And so, when I hear the statesmen talk
Of bankruptcy for this land of mine
When Peace comes singing her song divine,
I plug my ears and go take a walk.

J. E. M.

•

Looks as if the Germans had done a delayed-action stunt with Mount Vesuvius.

•

There is one minor consolation to the terror of filling out income tax forms. It is gratifying to think you made all that money—even if you have nothing to show for it.

•

Canada is to have an UNRRA rally, and we hope the university cheer-leaders are practicing their "UNRRA! UNRRA! UNRRA!"

•

Canadian and Russian industry are doing some mutual aiding, and Canadian and Russian air forces some mutual raiding.

•

Ottawa's policy is that the air should be free after the war—and Canadian Pacific Airlines can take it.

•

April Poem

Spring! Spring! Beautiful Spring!—
When our taxes are paid we have hardly a thing.
Mr. Ilsley cries MORE, for the end's not in sight,
So we nobly respond, buying bonds with our *mite*.
Red Cross wants a share of whatever remains;
For a cause such as that, no one ever complains.
We are earning "Big Money," according to talk,
It's the balance remaining that causes the shock,
For prices are sky high in spite of the ceiling,
And the poor, wounded bankroll is far beyond healing.
We were born without wealth, without even a penny,
And the day that we die, why we still won't have any.
Heaven's sure the reward of each tax-paying mortal,
For it's only the poor who can pass through that portal.
It's all gloom and despair, this lament that we sing,—
There's no joy in our hearts though It's Beautiful Spring.

V. GORDON SEARS.

•

The curling season is nearly over and an election is coming. Wonder if Mr. Bracken plays golf?

•

They can't think of a satisfactory way of taking the overseas vote. It seems that relatives will stab even soldiers in the back with a ballot.

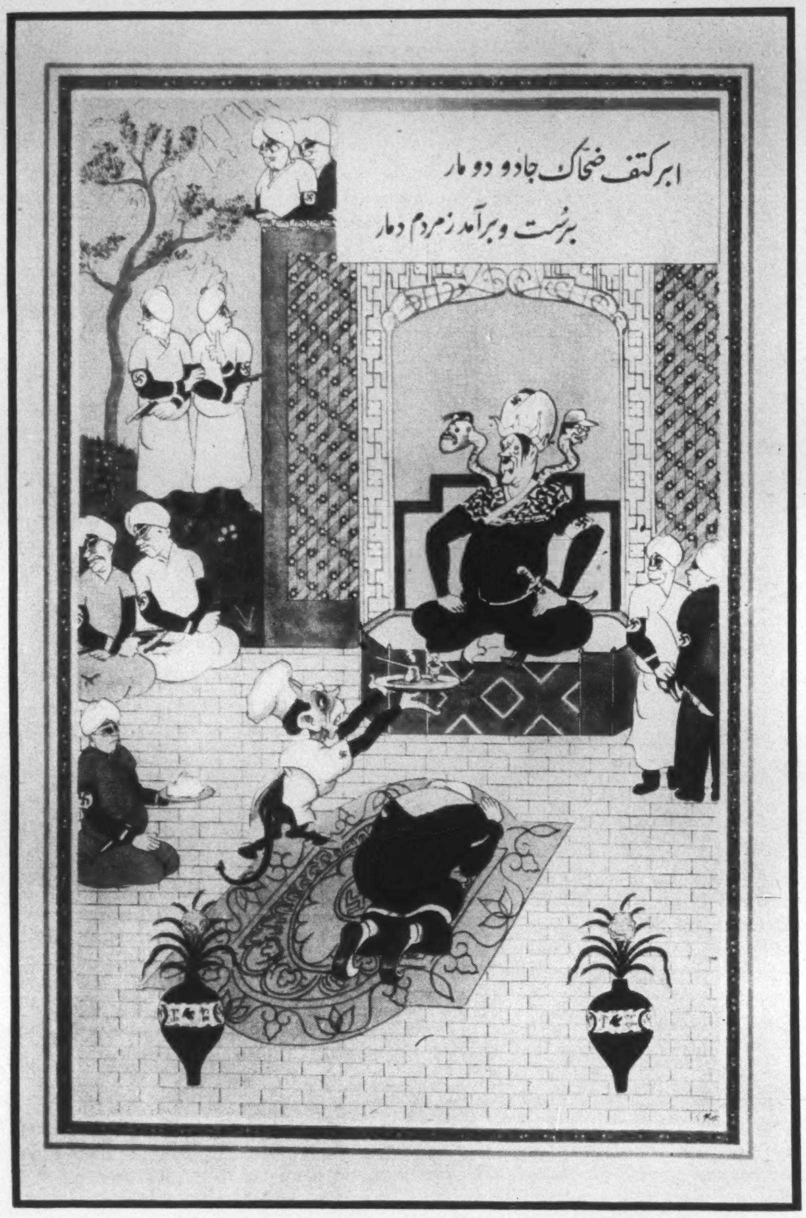
•

Nazi broadcasters claim that the Russians have advanced so far and so fast that they are now exhausted. The Germans, on the other hand, are merely breathless from making excuses.

Cartoons Like These Keep Vital Iran Pro-Ally

By Raymond Arthur Davies

Saturday Night's correspondent in Russia, Raymond A. Davies, while en route to Moscow via the Middle East, procured color prints of the unique poster cartoons reproduced here in black and white. They are the work of Kem (pseudonym of Kimon Evan Marengo) political cartoonist and journalist, whose cartoons have appeared in John Bull, Le Petit Parisien and leading publications in the Middle East. While these reproductions show the characteristically Oriental use of much fine detail in design, they cannot of course give any idea of their rich and vivid coloring.


ابر کتف ضحاک جادو دو مار
برُست و برآمد ز مردم دمار

Hitler is pictured here as Zahak, a cruel tyrant of Persian legend.

ONCE upon a time there lived a cruel king named Zahak, relates a Persian tale. So cruel was he that he had trained a pair of snakes to rest on his shoulders and every day two men were slaughtered so that their brains might be fed to the reptiles.

This is the story revived by the British Information Office in Iran after the Churchill-Roosevelt-Stalin conference to bring home the meaning of Hitler and his cruelties to the Iranian people. Hitler is Zahak and the two snakes are Mussolini and Tojo. Drawn by the famous satirist Kem, a series of ably prepared posters tells the tale in its modern meaning. There are five posters in all and they utilize Persian legends to get their points across.

In the first poster (shown left) Hitler-Zahak dressed in Iranian costume sits on a red-covered throne. The monkey-Goebbels, dressed in the white uniform of a chef, presents his master with brews. All about are Hitler's minions—in Persian clothing, beturbaned, with guns in hand, swastikas about their arms. The caption reads: "The way of the free has been hidden; the success of fools has become world wide."

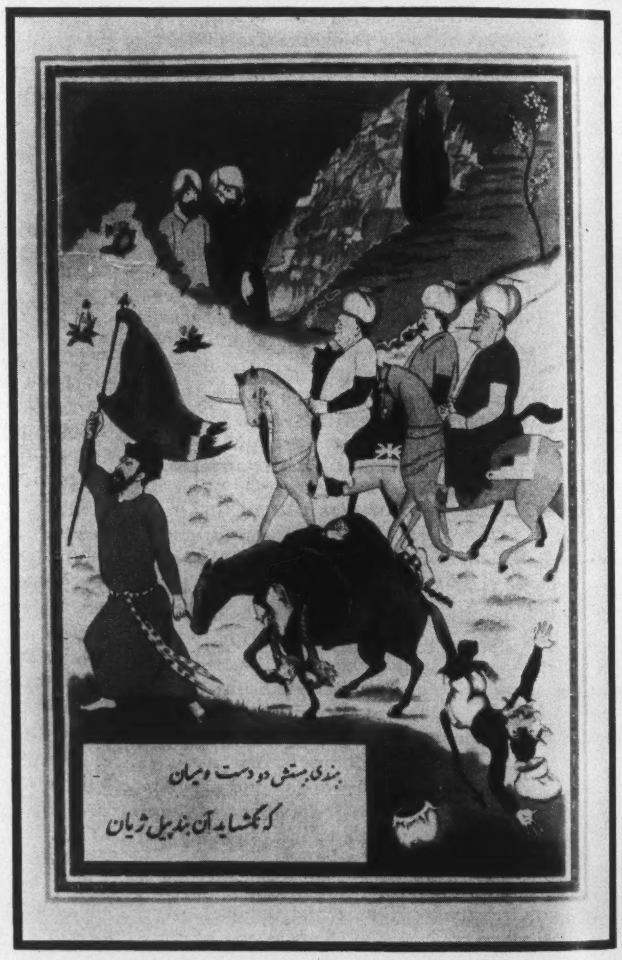
The second poster (immediately below) represents Hitler-Zahak, bloody sword and three-tailed whip in hands, dancing threateningly on a Persian rug. Goebbels the Ape is preparing to cut in twain an Iranian peasant stood on his head, legs spread out. Men and women are hanging everywhere heads down. Hitler's minions bring new prisoners. The caption reads: "The hand of evil has become long indeed; from goodness nothing remains but a secret."

THE other three posters have recourse to another legend, the legend of Kaveh the blacksmith. Two sons had Kaveh who plied his trade peacefully, wearing his leather apron before the fire. Then one day Zahak caused the two lads to be killed to feed his snakes. Angered Kaveh made a flag of his apron, rallied men about him, led a revolt. Zahak was imprisoned and killed and the people placed jewels on the apron-flag which remained a symbol of Iranian freedom until the Arabs destroyed it during their invasion of the country.

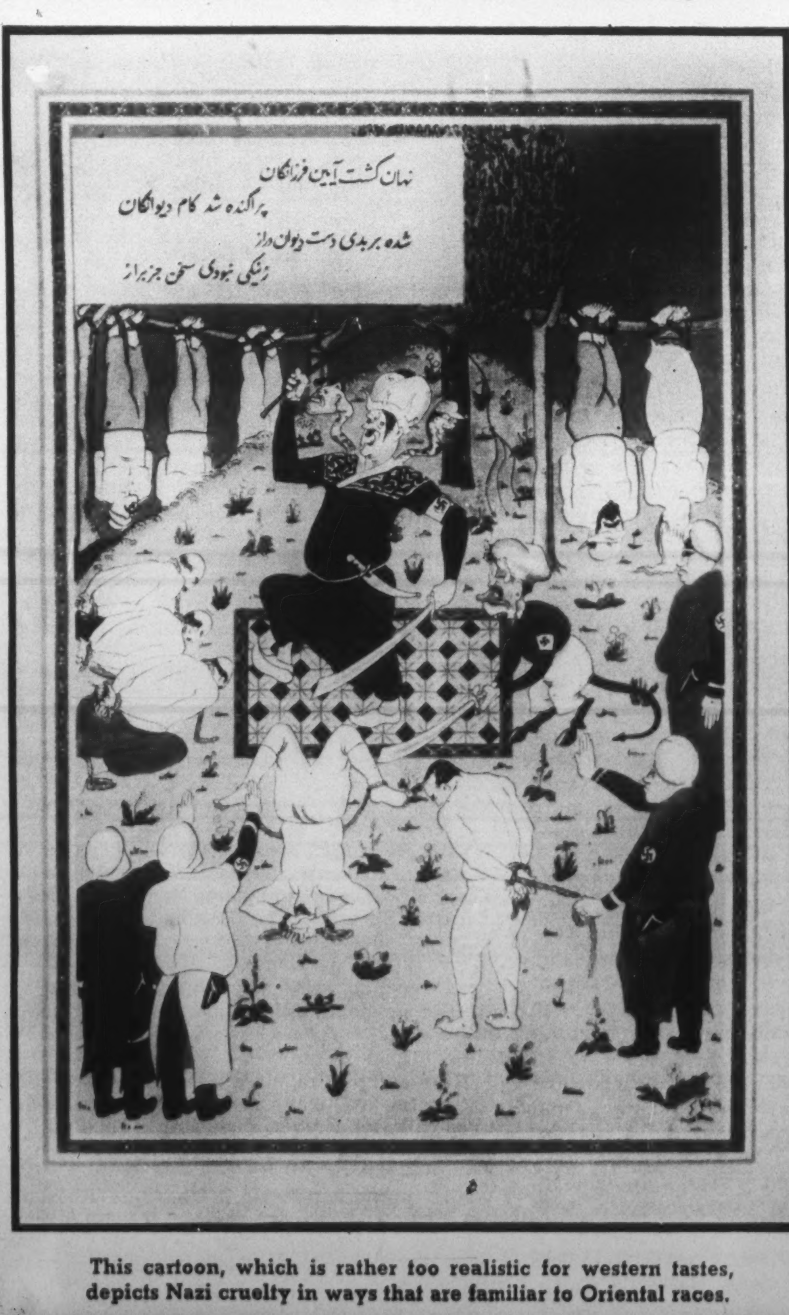
The first poster in this series is seen in the centre below. It shows Hitler seated on the throne, the ape-Goebbels at the side. Kaveh the blacksmith, his flag in hand, stands before Hitler-Zahak and cries: "Oh, King, I am Kaveh who asked for justice. There is a limit to maltreatment by violence. Recall, Oh, King, that there are many reasons for violence!"

In the next poster Hitler lies sleeping. In his dream he sees three horsemen riding through the clouds. They are Churchill, Roosevelt and Stalin in Iranian costumes, swords in hands, pointed shoes, decorated saddles. The caption reads: "Suddenly he sees that from the palace of the King of Kings three warriors emerge."

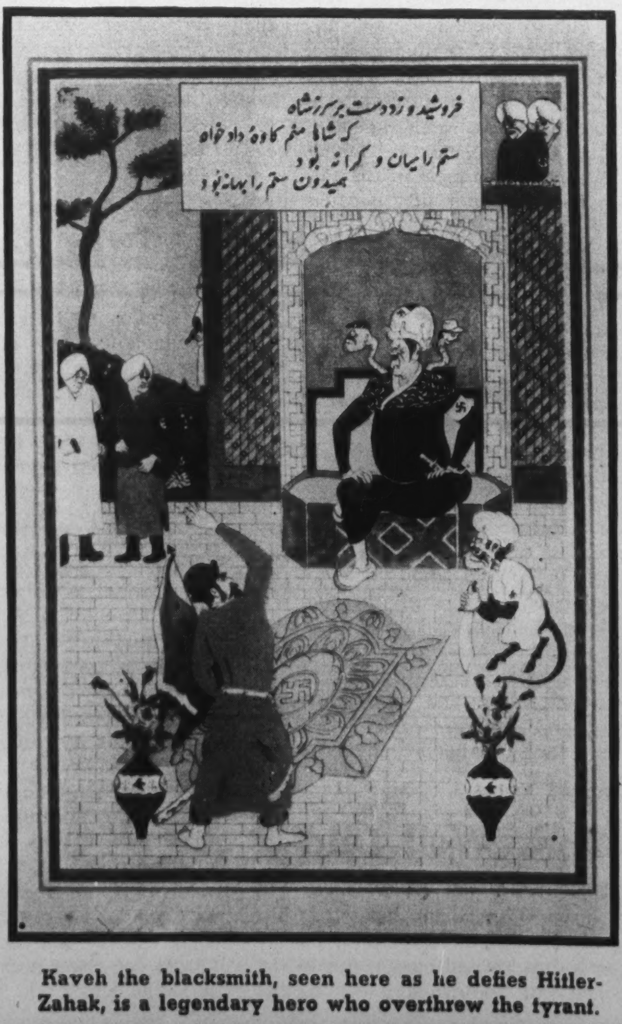
The third poster (right above) has the three horsemen riding in the background while in front Kaveh the blacksmith, his banner in hand, leads a horse on which Hitler is tightly bound. Goebbels drags on the ground tied to the horse's tail. Says the caption: "He tied the hands and body so well that not even a furious elephant could open the bonds."


ببندی بستش دو دست و میان
که نگشاید آن بند پیل ژیان

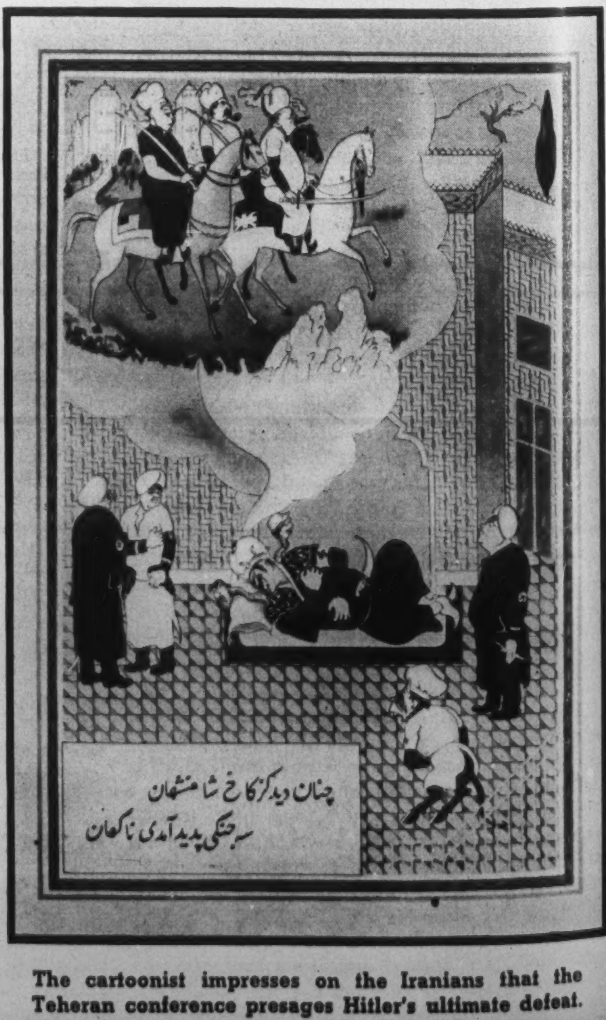
Iran, symbolized again by Kaveh, will participate in the future triumph of the Allies over Hitler.



This cartoon, which is rather too realistic for western tastes, depicts Nazi cruelty in ways that are familiar to Oriental races.


خروشید و زد دست بر سر ز شاه
که شاها منم کاوهٔ دادخواه
ستم را میان و کرانه بود
همیدون ستم را بهانه بود

Kaveh the blacksmith, seen here as he defies Hitler-Zahak, is a legendary hero who overthrew the tyrant.


چنان دید کز کاخ شاهنشهان
سه جنگی پدید آمدی ناگهان

The cartoonist impresses on the Iranians that the Teheran conference presages Hitler's ultimate defeat.

Here is the Promise of Art at Popular Prices

By WALTER ABELL

If someday every Canadian home possesses not one but many original paintings, proud owners can thank the U.S. Federal Art Project of the WPA which was responsible for exploring the possibilities of the silk screen process as a medium for original works of art. The Exhibit of Silk Screen prints now on view at the Art Gallery of Toronto shows how remarkably the medium lends itself to a colorfulness and variety of effect hardly inferior to that of the finest painting. And yet the process is capable of producing works of art in quantities for wide distribution at popular prices, since the equipment required is simple and inexpensive.

THE biggest little art exhibition of recent years is now on view at the Art Gallery of Toronto and after April 9 will start on tour to other centres across the Dominion. Compared to most exhibitions, this one is a miniature. The pictures comprising it hang easily in one small room. With a little forcing, they could travel in a suitcase. Yet the exhibition packs more *elan vital* into its constitution than a dozen ordinary art shows, large or small. It is a handful of poppy seeds—capable of setting whole fields abloom.

New and colorful resources for the decoration of Canadian homes, possession and daily enjoyment of original works of art by millions of people who have not previously been able to afford them, exciting new opportunities for Canadian artists—all these things and many more seem possible with this exhibition before us. Its power of suggestion is immense.

What is this prodigy? It consists of 32 original silk screen color prints by living American artists, and was assembled by the Museum of Modern Art in New York. And what are silk screen prints? A new kind of picture which has come into prominence during the past five years, largely as a result of experiments carried out in the United States by the Federal Art Project of the WPA.

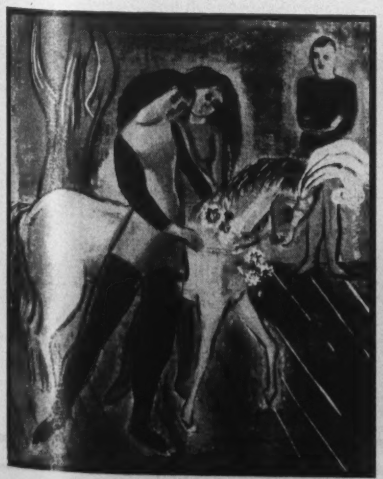
To be sure the process has been known for a longer period. The key idea, it seems, originated centuries ago in China. Modern commercial artists got hold of it and have been using it in their work for some thirty years. But no one had taken it seriously as a medium for fine art until Anthony Velonis, a young American artist, suggested to the authorities of the Federal Art Project that they establish an experimental silk screen workshop. In 1938 they did so, assigning Velonis and other artists to the task of exploring the creative possibilities of the medium.

Versatile Medium

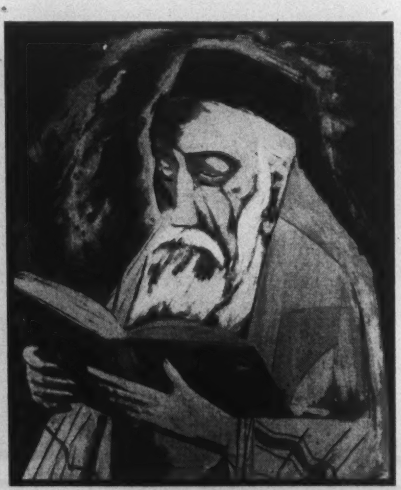
The results were surprising to all concerned. Within a short time it became evident that here was an extraordinarily versatile medium for artistic expression; a medium combining many of the advantages previously divided between prints, on the one hand, and paintings on the other. Like other forms of print-making, the silk screen process is capable of producing works of art in quantities sufficient for wide distribution at popular prices. At the same time it lends itself to a colorfulness and variety of effect hardly inferior to that of the finest painting.

Furthermore the equipment required is so simple that any artist can make it for himself in a day or two from inexpensive materials. From the point of view of the creative worker, this gives silk screen printing a tremendous advantage over arts like etching and lithography which involve elaborate and costly presses.

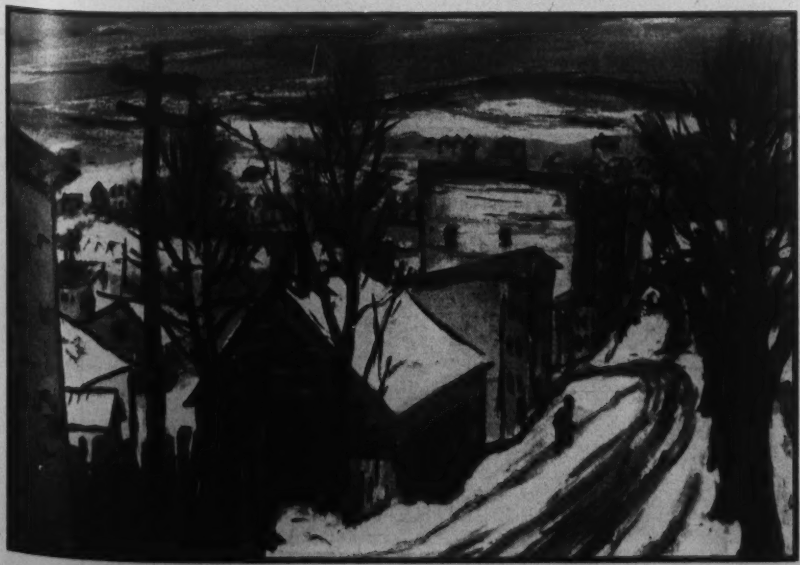
Basically, silk screen printing is a stencil process. A hinged wooden frame fits down over the paper or other substance upon which the stencilling is to be done. Within this frame the color is "squeegeed" over the surface of the paper with a rubber implement like a window wiper. If no stencil is used the result of the "squeegeeing" is an area of uniform color the size and shape of the wooden frame. If part of this area is covered with a stencil before "squeegeeing", the first state of the print will be a field of color filling those portions of the frame that are not blocked out by the stencil. The paper will remain blank wherever the stencil covered it. When the first color is dry, other colors in any number can be successively applied, each color being distributed by appropriate stencils to any desired portions of the picture. The finished work may vary, according to the purpose of the artist, from flat poster-like designs in two or more colors, to effects so varied and subtle that some silk screen prints are difficult to distinguish from paintings in oil or water color.



Two Dancers and a Horse—Ruth Gottlieb and Ruth Gikow

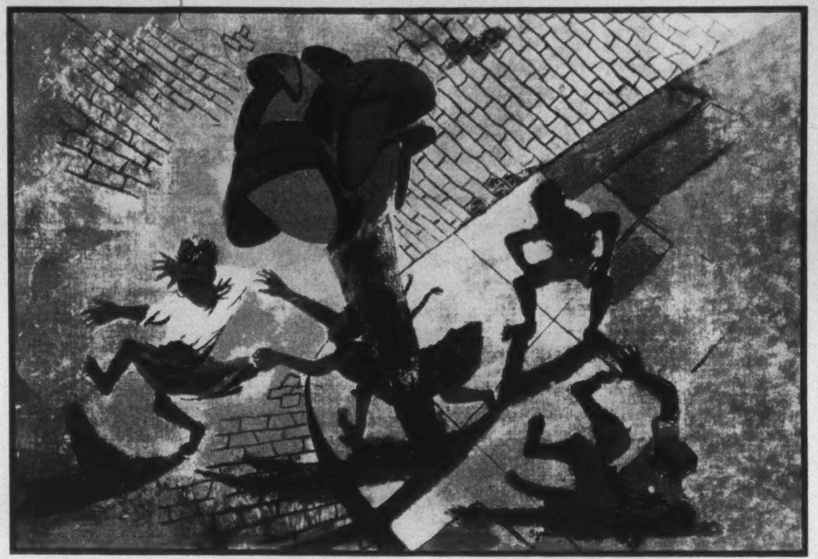


The Rabbi—Joe Leboit

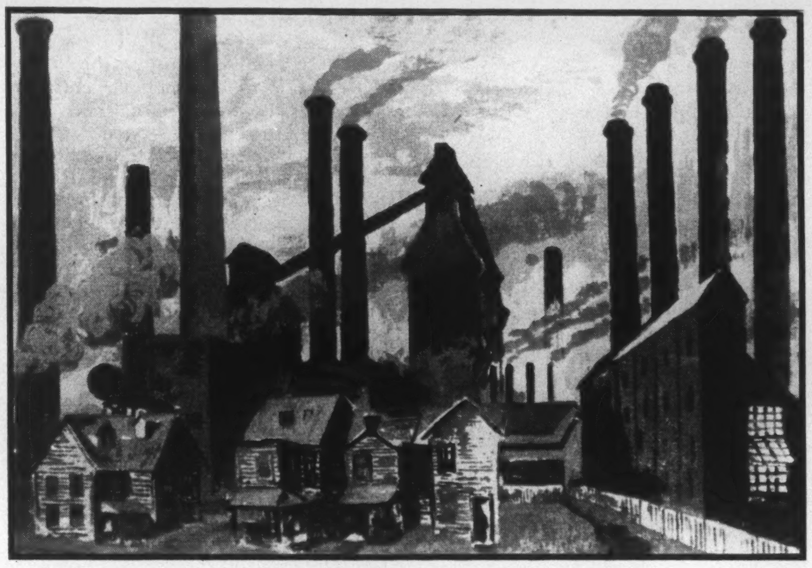


Easton, Pa.—Leonard Pytlak

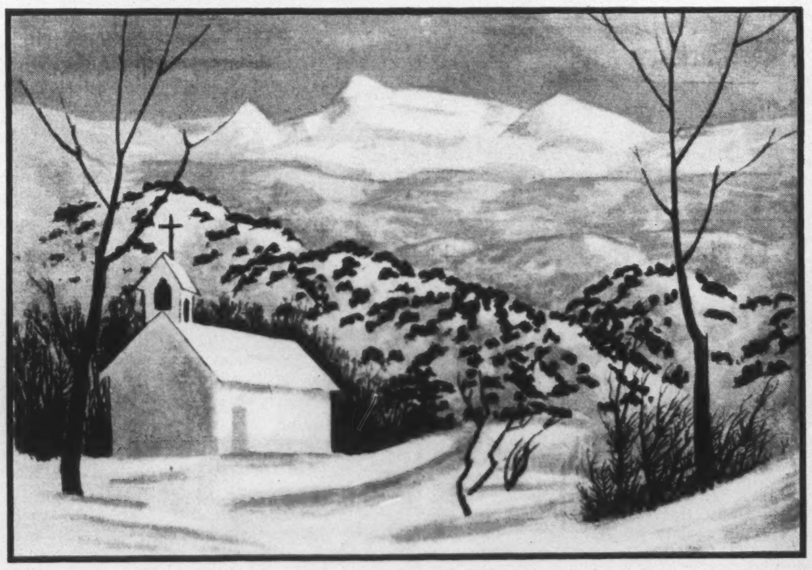
For years, probably without realizing it, Canadians have been seeing silk screen prints in the form of show cards, small posters, and other types of commercial art. Another product of the medium is the series of pictures by Canadian artists sponsored by the National Gallery of Canada for the decoration of buildings used by the armed forces. As thousands of men and women in the services know, these latter pictures make effective decorations for walls that otherwise would be bare and dreary. (They are serving their wartime purpose with marked success.) At the same time they represent a type of silk screen printing only one step removed from commercial usage. Although the designs were prepared by wellknown artists, the prints themselves were made by a commercial house working under commercial conditions.



Children Playing—Sylvia Wald



Smokestacks—Harry Sternberg



White Church—Charles Barrows

Artist Makes the Difference

The present exhibition makes clear that there is an immense difference between even the best commercial work and an artist's personal handling of the medium. The next step for Canada should be a development parallel to that which has already taken place in the United States, namely the creation of silk screen workshops where Canadian artists can explore the whole process from start to finish. Out of such workshops we might expect to receive silk screen prints which are entirely the artists' personal creation and which merit recognition as unadulterated works of art.

So much for the silk screen process. What has the present exhibition to offer us in the way of actual pictures? A wide variety of artistic creeds and personalities appear in it, most of them distinctly modern. You can, of course, be anything you like in a silk screen print: ancient, mediaeval, Victorian, or what you will. The artists in the present show have chosen to be modern because they live in the modern age and are aware that their place in history is today and not some time in the past.

Abstraction and semi-abstraction are there in colorful patterns; patterns which, incidentally, seem more effective in these relatively small and concentrated prints than similar types of design usually do when magnified to the scale of large paintings. Anthony Velonis' "Decoration Empire" and Doris Meltzer's "Inside and Out" are perhaps the cream of the show in this department. (If our lay friends ask, "Why make pictures without recognizable subjects?" we can agree with them that such pictures are not *complete* pictures any more than potato chips are a complete meal. That doesn't prevent one from getting a delightful sensation occasionally out of potato chips.) Remember the kaleidoscope you had as a child? How it fascinated you with its changing shapes and colors? No recognizable subjects; pure design, but a treat for the eye. The kaleidoscope is a good approach to the enjoyment of abstract designs like "Decoration Empire" and "Inside and Out".

Sometimes a seeming abstraction fools you. "Children Playing", by Sylvia Wald, appears at first sight to be a geometrical design with a fanciful title. Then as you look, it resolves itself into a street scene viewed from an unusual angle; a traffic light seen from above, with its red and green lenses making bright discs of color close to your eye, and children playing around the base of the pole below.

Surrealism and allied points of view have their say in pictures like "Two Napoleons and a Josephine" by Ruth Gikow, and "Escape" by Joseph Vogel. Queer, but no queerer than many of your dreams. No queerer than being fascinated by murder and mystery, as are millions who read detective stories. No queerer, in fact, than a world war. Life has its queer sides, and they insist on their right to appear in pictures as well as elsewhere.

Familiar Scenes

For those who prefer more balanced vision there are varied interpretations of the familiar world around us. City street and village street are both represented with true feeling for their moods: the one in Carol Weinstock's "West Street" (New York City), the other in Leonard Pytlak's "Easton, Pa." Landscape as a solo theme is absent from the exhibition, a fact in striking contrast to what one might expect if Canadian artists were to prepare a similar show. (Exception should perhaps be made for Charles Barrow's delicate impression, "Trees in Bloom.") And natural scenery does appear as a background to architectural and human themes in a number of the other works on view; most obviously and attractively in the wooded, snow covered hills behind Barrow's "White Church".

Satire, humor, and other gleams of the spirit show themselves in the exhibition, but we can't cover everything in a brief review. To round out the range of subjects already suggested, let us conclude with Harry Sternberg's "Smokestacks". Tall factory chimneys against a fading sunset, with grey homes cowering at their feet. Those to whom "social consciousness" means something; those who feel that if democracy is to live homes must no longer cower under the smoke of factory chimneys—such observers will perhaps receive from this picture one of the most lasting impressions left by the exhibition. "Decoration Empire" is a colorful accent for a wall; "Trees in Bloom" a moment of peace in spring; "Smokestacks" a challenge to a century of social pioneering. It all goes to show that art can mean whatever men feel deeply enough about to wish to express. And silk screen prints like these are definitely art.

British Palestine Policy Must Look at Two Sides

By A. E. PRINCE

The military factor has always been important in relation to Palestine, which is a main bastion of the Suez Canal, artery of democratic freedom. Moslem sentiment cannot be affronted while the democratic powers need the oil and the air bases of the Middle East.

Professor Prince, who is in the History Department of Queen's University and recently wrote in this weekly on the military ideas of Lieut.-General K. Stuart, is an authority on military history.

BRITISH official policy in Palestine has lately come under hot fire in the U.S.A. and in Canada. Two big guns of American politics, Senators Wagner and Taft, discharged a salvo in a short, sharp resolution asking Congress to reaffirm the 1922 U.S. approval of Palestine as a Jewish national homeland. The real target was the British Government's White Paper of May 1939, piloted through the Commons by Mr. Malcolm MacDonald, then Colonial Secretary and now High Commissioner at Ottawa.

On the eve of global war, faced by a twenty-year *impasse* between Jews and Arabs in Palestine, Britain declared "unequivocally that it is not a part of their policy that Palestine should become a Jewish State," that their objective was "the establishment within ten years of an independent Palestine state . . . in which Arabs and Jews should share in the government," that the League of Nations mandate was then to be terminated. The White Paper provided for a transition period of five years, at the end of which the constitutional arrangements were to be reviewed. During that period Jewish immigration was to be restricted to 75,000 refugees, no more afterwards being "permitted unless the Arabs of Palestine are prepared to acquiesce in it." Sales of land in certain areas were limited. This five year period expired on March 31. The U.S. Senators want pressure to be applied upon Britain to scrap the White Paper and throw wide open the doors to the Jews.

To provide a haven for the unhappy victims of Nazi persecution would be a "consummation devoutly to be wished." Mr. Churchill cannot be accused of pro-Fascist views or lack of sympathy with Zionist ideals by any unbiassed observer — although Pierre Van Paassen in his widely-read book "The Forgotten Ally" has seen fit to do so, along with other sneers at the Colonial Office, British administrators, generals and statesmen, non-Zionist Jews in Britain and the U.S.A., and on the Arab peoples as a whole.

In November last Churchill prolonged the five-year period till 30,000 permits not yet taken up owing to Hitler's war have been exhausted. But he knows that a policy of wholesale Jewish immigration now would involve grave international repercussions in the powder-magazine of the Middle East.

The Moslem world from Gibraltar to the Persian Gulf looks to Palestine as its Holy Land (like the Jews and Christians), as Jerusalem is associated with Mahomet's miraculous flight to Heaven; Moslem religious susceptibilities bristle when Zionists talk about the ultimate restoration of the Temple on the "Sacred Area" now containing Moslem holy sites. The Wagner-Taft resolution evoked vigorous Islamic protests, e.g. from the Governments of Iraq, Egypt, Transjordan, Syria and Lebanon, and from Saudi Arabia, with warnings that "an increase in Jewish immigration into Palestine would eventually result in bloodshed."

Marshall Asks "Hands Off"

It has just been reported that, emboldened by Senatorial and other encouragement, a group of tough Jewish extremists in Palestine has made violent attacks on British officials and rule there, shooting policemen and immigration officers, destroying records, and attempting to blow up St. George's Anglican Cathedral in Jerusalem. It is no wonder then that General Marshall appeared before the Senate Foreign Relations Committee, asking that the Resolution be pigeon-holed, lest vital military operations be endangered; letters backing his earnest plea from Secretary of State Hull and War Secretary Stimson.

The military factor has always been important in the vexed problem of Palestine. The land has a major strategic significance as the cross-roads of the Middle East. It is a bastion on the right flank of the Suez Canal, the main artery of the Empire—and of democratic freedom. In the early years of World War I, the Turks allied with Germany made two attacks on the Canal from Palestine, so it was resolved to expel the Turks therefrom. This was done by British arms. Some aid was given by Jewish forces and resources, and some from the Arabs under Emir Feisal and T. E. Lawrence. (Van Paassen's attempt to pull down Lawrence from a niche in military history is based on an ignorance of the art of war.) Just before Allenby's capture of Jerusalem, Balfour issued the fateful Declaration of November, 1917, promising in a letter to Rothschild British approval of the "establishment in Palestine of a national home for the Jewish people," whilst providing (be it noted) that "nothing shall be done which may prejudice the civil and religious rights of the existing non-Jewish communities in Palestine." These Moslem and Christian communities then outnumbered the Jews by ten to one! One reason for its issue was as a reward for the discovery by the Zionist leader, Dr. Chaim Weizmann, of acetone, an essential ingredient of TNT high explosive.

The Arabs strongly opposed the idea of a Jewish state from the very outset; the insinuation of Van Paassen and Senator Wagner that this hostility was created and fostered by a diabolic Colonial Office and British administrators is utterly false. The preservation of the Pax Britannica has been a cardinal policy. British officials did not welcome the riots of 1919-20 and 1929, and the extremist Arab revolts following 1936 which required the despatch of a whole British Army Corps to Palestine for its suppression. Britain is an Islamic Power with over 70,000,000 Moslems in India alone, many of fine fighting stock. Both Italians and Germans for years made a high bid for Islamic support.

Axis Bids

During the present war there have been grave Axis threats in Egypt from Rommel, in Iraq (through the *coup* of its tool Rashid Ali al-Gailani in April 1941), in Vichy-controlled Syria (involving a campaign of expropriation), in Iran (requiring the desposition of Shah Riza Pahlevi), as well as in North Africa.

Responsible military authorities cannot afford to flout the sentiment of millions of Moslems in the Middle East, connecting the Western and Far Eastern Fronts, with its air and naval bases, its supplies of indispensable oil.

The Arab has a case, which has not the sounding-board of Zionist propaganda in high influential circles on this continent; the Arabs command few votes in the electoral precincts of New York and of Canadian cities. Historically, in reply to the Zionist claim that Palestine is "the Land of Israel", the Arabs declare they have been in possession of it for 1,300 years. On the principle of Wilsonian self-determination, an Allied promise of September 1918, and the doctrine of the Atlantic Charter, they argue that being in the big majority they should have been permitted to determine their own form of government; even now, after the Jews have increased their numbers tenfold, they only number 500,000, whereas the Moslem Arabs total some 850,000 and the Christians 150,000. Emancipated from the dead hand of the Turks in 1918, they had hoped to be led along the path of self-government and modern scientific progress by the mandatory Power, Britain (the U.S.A. having refused to accept any commitments in that region), and attain independence and admission to the League of Nations, as Iraq did in 1932 and Egypt in 1936. The Zionist claims shattered these hopes. But, apart from their own extremists like Hadj Husseini, they did accept the British White Paper of 1939, and more friendly relations were established with the Jews in the earlier years of the war, both Arabs and Jews for example serving together in a labor force sent to France. This rapprochement has been checked by recent proposals to modify or recall the White Paper.

The British Government will not accede to the Arabs' demand in the present tension for the expulsion of the Jews, the obliteration of one of the finest experiments in progress, that of Zionism, giving a spiritual centre to Jewry. "It is now possible for a Jew to be born in Palestine and pass through an all-Jewish kindergarten, school and university without speaking anything but Hebrew, to work on a Jewish farm or in a Jewish factory, to live in an all-Jewish city of over 150,000 inhabitants (Telaviv) to read a Hebrew daily newspaper, to visit a Hebrew theatre. . . So far the Zionist aim may be said to be accomplished."

But Jews should formally abandon the idea of a Jewish national state as distinct from a national home, and instead proclaim their adherence to the ideal of an independent state of Palestine, in which Jews will be partners of Moslems and Christians. They should collaborate with the economically backward Arabs, sharing their western-acquired skills and techniques, fulfilling the old traditional role of the Hebrews as the great intermediaries, between God and man, between East and West.

As many non-Zionist Jews recognize, the project of a Jewish state in Palestine tends to jeopardize the position of Jews in other states, giving rise to the problems of divided loyalties. There are now Jewish Canadians; would they tend to become, or to appear, Canadian Jews, Jews in Canada?

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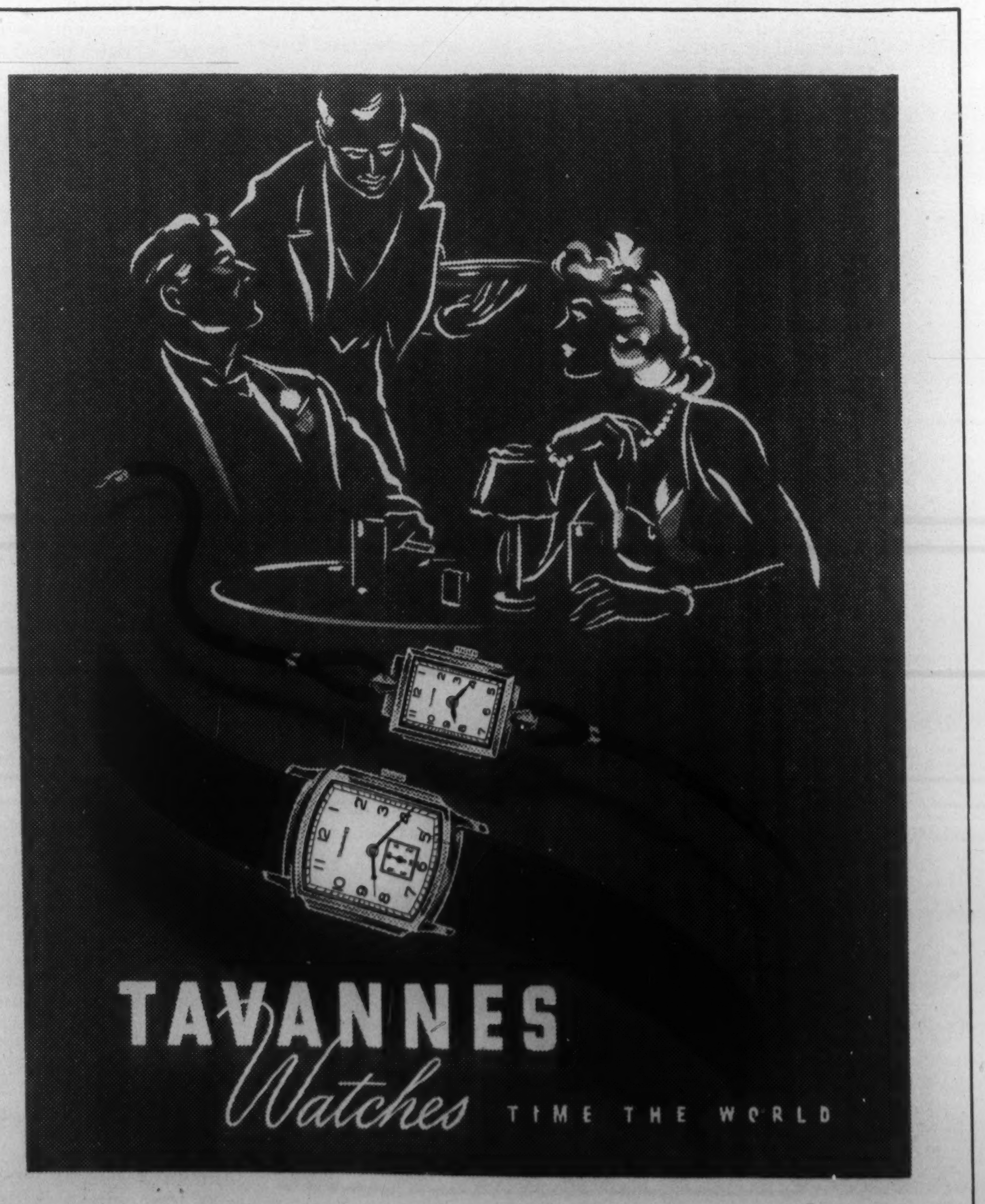
Write F. H. C. Baugh, M.D.
Medical Superintendent, Homewood Sanitarium,
Guelph, Ont.



SWIFT THROUGH THE NIGHT

THROUGH the silent spaces of the night it comes to you . . . First a murmuring hum—then the deep, full-throated roar of a thousand horses passing overhead—and swiftly the throbbing drone fades out beyond the dark horizon.

It may be a T.C.A. or C.P.A. plane winging its essential load of mail and passengers to where they're needed quickly. Perhaps that motor drumming through the dusky air is victory bound, with a cargo of fighting men. It's one of the marvels of our age—this compact engine unit with the power of a thousand or more horses. Without it—and the modern lubricants that keep it flying—today's air speed and comfort and safety would be impossible.

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CANADIAN PACIFIC RAILWAY COMPANY

SIXTY-THIRD ANNUAL REPORT

of the Directors of the Canadian Pacific Railway Company, Year Ended December 31, 1943

To The Shareholders:

The financial results of operations showed a moderate improvement over 1942 which, however, was not in proportion to the increase in traffic handled. As a result of governmental regulations rates, both passenger and freight, were maintained at the 1941 level. On the other hand operating costs, both labour and material, and taxes advanced substantially.

The volume of traffic handled in 1943 surpassed what might have been thought possible a year ago. Freight, passenger, mail and express traffic all reached levels never before attained.

In meeting the enormous wartime demands for transportation your Company's organization and facilities were subjected to rigorous tests. Heavy snowfalls and sleet in the first quarter of the year created operating difficulties; the shortage of labour curtailed the maintenance programme; the amount of new equipment procurable fell short of requirements; and wartime restrictions limited the provision of additions and betterments to facilities. The continuance of heavy enlistments in the armed services of members of the staff created problems not only of replacement but also of training and supervision. In spite of all obstacles, however, your Company succeeded in meeting the demands made upon it.

The unprecedented record of operations for the year ended December 31, 1943, is set forth in detail as follows:

INCOME ACCOUNT

Gross Earnings		$297,107,791
Working Expenses (including taxes)		247,896,224
Net Earnings		$ 49,211,567
Other Income		16,270,751
		$ 65,482,318
Fixed Charges	$ 21,795,836	
Interest on bonds of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, guaranteed as to interest by your Company	703,764	
		22,499,600
Net Income		$ 42,982,718
Dividends on Preference Stock:		
2% paid August 3, 1943—£564,070	$ 2,521,391	
2% payable February 1, 1944—£564,070	2,521,391	
		5,042,782
Balance transferred to Profit and Loss Account		$ 37,939,936

PROFIT AND LOSS ACCOUNT

Profit and Loss Balance December 31, 1942			$201,250,483
Balance of Income Account for the year ended December 31, 1943			37,939,936
			$239,190,419
DEDUCT:			
Loss on lines abandoned and on property retired and not replaced		$ 3,460,902	
Amount transferred to Rolling Stock Depreciation Reserve for extraordinary post-war retirements	$ 20,000,000		
Less amount of excess credit transferred from Steamship Depreciation Reserve	16,649,095		
		3,350,905	
Exchange adjustment in respect of steamship insurance recovered in sterling—net		780,714	
Miscellaneous—Net Debit		363,680	
			7,956,201
Profit and Loss Balance December 31, 1943, as per Balance Sheet			$231,234,218

Net Income of $42,982,718 was $2,628,451 greater than in 1942. Subsequent to the end of the year, a dividend of 2 per cent. on the Ordinary Stock, amounting to $6,700,000, was declared from the earnings of the year 1943, payable March 31, 1944. This dividend is not deducted from the Profit and Loss balance at December 31, 1943, shown above

RAILWAY EARNINGS AND EXPENSES

The comparative results of railway operations were as follows:

	1943	1942	Increase
Gross Earnings	$297,107,791	$256,864,091	$ 40,243,700
Working Expenses (including taxes)	247,896,224	208,676,402	39,219,822
Net Earnings	$ 49,211,567	$ 48,187,689	$ 1,023,878
Expense ratios:			
Including taxes	83.44%	81.24%	2.20
Excluding taxes	72.82%	71.54%	1.28

GROSS EARNINGS were $40,243,700, or 15.7%, greater than in 1942, a year in which the earnings had reached their highest previous level. In each quarter of 1943 the earnings were higher than in the corresponding quarter of any previous year in your Company's history.

FREIGHT EARNINGS increased by $22,045,259, or 11.3%. This result can be attributed principally to further expansion of the Dominion's industrial output, the enlarged export trade brought about by improved shipping conditions and the development of heavy grain movements both to Atlantic coast ports for export and to points in Eastern Canada and the United States to provide winter feed for livestock. Owing to the joint policy of the Canadian and United States Governments in diverting more ship tonnage to the grain traffic, it was possible to transport to lake ports a large amount of the grain which had accumulated in country and terminal elevators.

Earnings from grain and grain products increased $12,200,000, or 37%. Grain handlings on your Company's lines were 257 million bushels, compared with 181 million bushels in 1942, and were slightly in excess of the 1925-1929 average of 254 million bushels. It is estimated that the wheat remaining to be moved by all railways from the Prairie Provinces amounted to 470 million bushels at the end of the year, approximately 60 million bushels less than at the end of 1942.

Ton miles for the year totalled 24,950 million, compared with 22,600 million in 1942 and 18,423 million in 1928. Owing to greater dispatch in the handling of cars the large increase over 1928 was actually accomplished with 5 million less car days. The average revenue per ton mile was 0.87 cents, showing little change from last year's figure of 0.86 cents.

PASSENGER EARNINGS increased by $11,830,792, or 30.1%. Owing to continued heavy movements of the armed forces and a sustained high level of civilian travel, the volume of passenger traffic surpassed previous records. The average passenger journey of 150 miles compared with 156 miles in 1942.

OTHER EARNINGS increased by $6,367,649, or 29.4%. Express revenues were the largest since 1921. Revenues from sleeping and dining cars, from news services and from demurrage all reflected the general increase in business activity and travel.

WORKING EXPENSES increased by $39,219,822, or 18.8%. Exclusive of taxes, the increase in expenses was $32,592,157, and the ratio of expenses to gross earnings was 72.82% compared with 71.54% in 1942. Several factors contributed to the increase in the ratio. The wartime cost-of-living bonus paid to employees amounted to approximately $14,000,000, an increase of $2,000,000 over last year. The bonus rate of $4.25 per week which had been in effect since August 15, 1942 was increased under Order-in-Council P.C. 5963 to $4.60 per week, effective November 15, 1943. Higher prices for locomotive fuel added approximately $3,000,000 to the year's expenses and many other material costs were higher. As a result of the extreme weather conditions of the first quarter of the year, there was an increase of $1,200,000 in the cost of snow and ice removal.

MAINTENANCE OF WAY AND STRUCTURES EXPENSES increased by $8,840,465. During the year 1,736,337 treated and 1,252,608 untreated ties were placed in track, 539 single track miles of new rail were laid, and rock ballast was applied to 72 miles of track. Tie plates to the number of 2,894,905 and rail anchors to the number of 1,341,298 were installed. The examination of rails for hidden defects by the Sperry detector car covered 8,890 miles of track.

Shortages of labour and material continued to be acute and the year's maintenance programme was again restricted in the main to immediate traffic requirements. The amount set aside in the year's accounts for special maintenance reserve was $3,500,000. Depreciation on bridges, buildings and other structures was accrued for a full year, and amounted to $5,640,423.

MAINTENANCE OF EQUIPMENT EXPENSES increased by $8,133,266. Locomotive repairs involved an expenditure of $12,608,896 and included the shopping of 703 engines for heavy repairs. The maintenance of freight train cars cost $11,750,766 and included heavy repairs to 24,857 cars. Cast steel truck frames were applied to 1,745 cars, replacing arch bar truck frames. Stabilized trucks were applied to 278 refrigerator cars. Passenger train car repairs cost $7,382,426, including the general overhauling of 1,243 units. To meet the heavy demands of travel 19 buffet parlor cars and 8 compartment observation cars were converted to first class coaches. The shopping programme was limited by the necessity of keeping a maximum of equipment in service and an amount of $2,700,000 was set aside, representing the difference between the actual expenditure and that which would have been made under similar traffic conditions in peacetime. Charges for depreciation amounted to $13,953,484 for rolling stock, $1,549,119 for shop and power plant machinery, and $126,080 for inland steamships. At the end of the year, 92.4% of locomotives and 97.6% of freight cars were in serviceable condition, compared with 93.2% and 97.7% respectively at the end of 1942.

TRANSPORTATION EXPENSES increased by $12,733,268. The ratio to gross earnings was 32.18% compared with 32.27% in 1942 and for the fourth successive year constituted a new low record. Increased wage costs and higher prices for fuel and other supplies added to the expenses of train operation but these were wholly offset by the increased earnings per train mile.

Tons carried one mile and passengers carried one mile increased 10% and 25% respectively but the additional business was handled with an increase of only 5% in train miles.

OTHER WORKING EXPENSES increased by $9,512,823. Railway tax accruals amounted to $31,548,645, an increase of $6,627,665, and included a provision of $27,750,000 for the estimated amount of Dominion Income and Excess Profits taxes, in respect of which the final liability has not yet been determined. Traffic expenses were decreased by $88,630. Expenses of dining and buffet service increased $615,635, and news servic expenses were greater by $546,951.

OTHER INCOME

Other Income amounted to $16,270,751 an increase of $409,717, or 2.6%.

FIXED CHARGES AND GUARANTEED INTEREST

Fixed charges decreased by $1,159,667 principally as a result of the debt retirements made without refunding. Guaranteed interest on Soo Line Bonds decreased $35,189.

DIVIDENDS

Dividends amounting to $5,042,782, being at the rate of 4% on the non-cumulativ Preference Stock, were declared out of th Net Income for the year.

A dividend of 2 per cent. on the Ordinary Stock, payable March 31, 1944, was als declared from the earnings of the year. Thi represents a disbursement of 50 cents share, amounting to $6,700,000. Provision for the payment of this dividend is no reflected in the financial statements fo 1943, as the declaration was made after th end of the year.

PROFIT AND LOSS ACCOUNT

The major item in the charge of $3,460,902 for loss on lines abandoned and on pro perty retired and not replaced pertains t the retirement of leased spur lines an trackage of the Columbia & Western Railway Company which formerly served cer tain mining properties in the Province o British Columbia.

A net charge of $3,350,905 to Profit an Loss resulted from an appropriation o

CANADIAN PACIFIC RAILWAY COMPANY

General Balance Sheet, December 31, 1943

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock and Inland Steamships	$810,442,460	
Improvements on Leased Property	96,813,831	
Stocks and Bonds — Leased Railway Companies	129,693,871	
Ocean and Coastal Steamships	36,971,006	
Hotel, Communication and Miscellaneous Properties	101,872,734	
		$1,175,793,902
OTHER INVESTMENTS:		
Stocks and Bonds—Controlled Companies	$ 65,402,759	
Miscellaneous Investments	33,949,193	
Advances to Controlled and Other Companies	32,142,105	
Mortgages Collectible and Advances to Settlers	2,290,803	
Deferred Payments on Lands and Townsites	26,659,459	
Unsold Lands and Other Properties	20,553,229	
Maintenance Fund	13,450,000	
Insurance Fund	10,387,121	
Steamship Replacement Fund	47,879,560	
		252,714,229
CURRENT ASSETS:		
Material and Supplies	$ 30,079,986	
Agents' and Conductors' Balances	14,096,152	
Miscellaneous Accounts Receivable	19,815,732	
Dominion of Canada Securities	17,021,872	
Cash	43,525,516	
		124,539,258
UNADJUSTED DEBITS:		
Insurance Prepaid	$ 216,051	
Unamortized Discount on Bonds	1,110,811	
Other Unadjusted Debits	2,906,234	
		4,233,096
		$1,557,280,485

LIABILITIES

CAPITAL STOCK:		
Ordinary Stock	$335,000,000	
Preference Stock — 4% Non-cumulative	137,256,921	
		$ 472,256,921
PERPETUAL 4% CONSOLIDATED DEBENTURE STOCK	$397,826,229	
Less: Pledged as collateral to bonds, notes and equipment obligations	102,388,000	
		295,438,229
FUNDED DEBT	$133,313,600	
Less: Securities and cash deposited with Trustee of 5% Equipment Trust	17,395,856	
		115,917,744
CURRENT LIABILITIES:		
Pay Rolls	$ 4,771,158	
Audited Vouchers	10,450,212	
Net Traffic Balances	4,237,461	
Miscellaneous Accounts Payable	3,398,302	
Accrued Fixed Charges and Guaranteed Interest	1,629,973	
Unmatured Dividend Declared	2,521,391	
Other Current Liabilities	21,050,660	
		48,059,157
DEFERRED LIABILITIES:		
Dominion Government Unemployment Relief	$ 2,447,223	
Miscellaneous	3,648,720	
		6,095,943
RESERVES AND UNADJUSTED CREDITS:		
Maintenance Reserves	$ 13,450,000	
Depreciation Reserves—		
Road	83,630,820	
Rolling Stock	115,859,100	
Steamship	26,856,648	
Hotel and Other	12,888,176	
Investment Reserves	17,648,413	
Insurance Reserve	10,387,121	
Contingent Reserves	5,105,446	
Unadjusted Credits	5,353,560	
		291,179,284
PREMIUM ON CAPITAL AND DEBENTURE STOCK		34,565,952
LAND SURPLUS		62,533,037
PROFIT AND LOSS BALANCE		231,234,218
		$1,557,280,485

ERIC A. LESLIE,
Vice-President and Comptroller.

TO THE SHAREHOLDERS,
CANADIAN PACIFIC RAILWAY COMPANY:

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1943, and having compared the Balance Sheet and related schedules therewith, we certify that in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the Income and Profit & Loss Accounts correctly set forth the result of the year's operations.

The records of the securities owned by the Company at December 31, 1943, have been verified by an examination of those securities in the custody of its Treasurer and by certificates received from such depositaries as are holding securities for safe custody for the Company.

PRICE, WATERHOUSE & CO.,
Chartered Accountants,

Montreal, March 10, 1944.

$20,000,000 made for extraordinary post-war retirements of rolling stock and a credit transfer of $16,649,095 from steamship depreciation reserve. The appropriation to augment rolling stock depreciation reserve was made in anticipation of charges which will arise when it becomes possible to replace certain types of rolling stock by units incorporating the latest technological improvements. The transfer from steamship depreciation reserve was necessary to correct an unbalanced relationship between that reserve and steamship investment. This condition had developed through successive losses in the fleet, accompanied by credits to the reserve of the entire amount recovered in respect of basic values of steamships sold or lost, which under the British Government War Risk Re-insurance Scheme included a substantial element representing compensation for increased cost of tonnage replacement.

BALANCE SHEET

A reclassification of certain assets has been effected in order to group them more consistently in relation to the manner of reporting the earnings and expenses for the various properties. The investment in Hotel, Communication and Miscellaneous Properties has been segregated and shown under a separate caption. Investments in all controlled companies, other than in those leased railway companies which are comprised in the railway system from which your Company's gross earnings are derived, have been merged under a single caption "Stocks and Bonds—Controlled Companies." Investments in Jointly Controlled Railway Companies have been transferred to Miscellaneous Investments. Supporting schedules accompany the Balance Sheet, setting forth the details of holdings under the various captions.

FINANCE

Serial Equipment obligations to the amount of $4,154,769 matured and were paid, and Consolidated Debenture Stock to the amount of $268,000 pledged under Series "D" was released and cancelled. On January 25, the balance of $3,085,385 due to the Dominion Government on the Equipment Lease dated December 15, 1937, was prepaid. Securities and cash on hand with the Trustee of the Equipment Trust maturing July 1, 1944, increased by $2,457,944, and in addition the Trustee, under authority of the Trust Agreement, purchased and cancelled $665,000 of the Equipment Trust Certificates.

On March 1, The Union Trust Company of Pittsburgh as Trustee entered into an agreement under which $18,000,000 principal amount of Equipment Trust Certificates was issued, guaranteed as to principal and interest by your Company. This issue, designated as Series "F", maturing in equal semi-annual instalments from October 1, 1943 to April 1, 1953, inclusive, is payable in currency of the United States of America and bears interest at 3% per annum. Under the arrangements for this issue, equipment which cost, at the time of construction, $26,000,904 in Canadian funds, is leased to your Company at a rental equal to the instalments of principal of and interest on the Equipment Trust Certificates.

The $10,500,000 3% Convertible Collateral Trust Bonds, maturing October 1, 1945, were called for redemption on April 1, and the $19,000,000 4½% Collateral Trust Gold Bonds maturing September 1, 1946, were called for redemption on September 1. The funds to meet these two issues were deposited with the respective Trustees. During the year $120,500 principal amount of matured but unredeemed Collateral Trust Bonds was paid, and the amount remaining unpaid on an aggregate principal amount of $1,100,500 of such issues has been deposited with the respective Trustees and eliminated from current liabilities. In addition the following securities were purchased and cancelled—3½% Convertible Collateral Trust Bonds due 1951 to the amount of $2,000,000 and 5% Collateral Trust Gold Bonds due 1954 to the amount of $600,000. Consolidated Debenture Stock to the amount of $41,183,200, pledged as collateral to the issues of Collateral Trust Bonds of which the above mentioned bonds formed part, was released and cancelled.

On February 1, 4% Serial Secured Notes to the amount of $350,000 and 3% Serial Secured Notes to the amount of $287,400 were redeemed, and Consolidated Debenture Stock to the amount of $1,092,000 was released and cancelled. On March 10, $3,750,000 principal amount of 4% Notes was refunded by the issue of notes to the same amount, at the reduced rate of 3%, such notes being secured in the same manner and maturing on the same dates as the notes retired. In connection with this refunding Consolidated Debenture Stock to the amount of $700,000 was released and cancelled

On December 1, 3½% Serial Secured Notes due December 1, 1945, to the amount of $2,000,000 were prepaid. On such prepayment Consolidated Debenture Stock to the amount of $1,200,000 was released and cancelled, and 60,000 shares of capital stock of The Consolidated Mining and Smelting Company of Canada, Limited were released.

During the year, $156,200 principal amount of matured but unredeemed 4½% Sinking Fund Note Certificates were paid. Provision was made to meet the unpaid balance of this issue aggregating in principal amount $503,700 with a corresponding reduction in current liabilities.

On October 22, the 5% First Mortgage Debenture Bonds of the Lacombe and North Western Railway Company amounting to $273,700 matured and were paid.

The financial transactions referred to above resulted in the net retirement of $28,981,398 of bonds, notes and other obligations, the discharge of a contingent liability of $273,700, a reduction of $44,443,200 in the amount of Consolidated Debenture Stock pledged as collateral, and the return to the Company of the balance of the pledged capital stock of The Consolidated Mining and Smelting Company of Canada, Limited.

CANADIAN PACIFIC AIR LINES, LIMITED

During the year further steps were taken by your subsidiary company, Canadian Pacific Air Lines, Limited, in the development of a co-ordinated air transportation system. For the movement of essential personnel and cargo carried in connection with vital continental defence establishments in Northwestern and Northeastern Canada, additional modern aircraft were allocated to your Air Lines. To provide for the traffic referred to, extensive new radio communication installations were also required, as well as additions to ground equipment, shops and airport facilities. To finance these capital expenditures your Company advanced an amount of $2,027,000 during the year.

Transport planes of your Air Lines were flown 6,133,751 miles in revenue service during 1943, an increase of 17% over the previous year. Passenger miles totalled 24,031,000, an increase of 82%; mail pound miles were 926,994,000, an increase of 91%; and freight pound miles were 1,825,774,000, an increase of 18%.

That part of the activities of the British Commonwealth Air Training Plan involving your Air Observer Schools and Overhaul Plants was considerably expanded during the year. Aircraft operated by the personnel of your Air Observer and Elementary Training Schools flew over 57,000,000 miles. At the end of the year your Air Lines, including the Training Schools and the Overhaul Plants, had approximately 9,500 employees.

While there was a substantial increase in the volume of traffic handled as compared with the previous year, expenses increased in greater degree, owing largely to the cost of operating and maintaining aircraft under existing wartime conditions. In addition, the cost of pilot training was heavy, and there were non-recurring charges for reorganization and development. The operations for the year resulted in a moderate loss, which, however, was not unreasonable in all the circumstances. Provision for the accumulated loss to the end of the year, amounting to $236,573, was made by a charge to Other Income.

Detailed study has been made of the possibilities of further development of your Company's air activities, and a number of new routes and extensions of existing routes in the international as well as the domestic field will be proceeded with whenever this is permitted by Government policy.

The interim policy announced by the Government would exclude private operators from the field of international operation, while in the United States many applications by competing air lines for licenses to operate between points in the United States and points in Canada are being pressed for hearing before the Civil Aeronautics Board.

Your Directors feel that, if Canada is to occupy the place in air transportation which its geographical situation and the abilities and experience of its citizens in this field justify, there is urgent need of an air policy which will afford Canadian industry an opportunity equal to that enjoyed by the citizens of other countries.

WARTIME ACTIVITIES

The transportation needs of the Dominion continued to expand in 1943 owing to the increase in production of munitions of war and the intensification of hostilities abroad. Your Directors report with satisfaction that in no instance did traffic congestion develop or failures occur in supplying essential transportation. The record of the year's activities again demonstrates that efficient rail transportation is a vital force in the prosecution of the war.

The labour turnover was more than three times the normal rate, and operating difficulties were for this reason accentuated. The training of inexperienced employees has presented a serious problem to your officers and senior employees. Patrons of your Company have helped greatly by accepting the unavoidable inconveniences which attended the movement of passenger and freight traffic during the year.

OFFICERS AND EMPLOYEES

The officers and employees of your Company in all branches of its service have evinced their keen appreciation of the vital importance of transportation to the war effort of the United Nations, and your Directors gratefully acknowledge the competence and fidelity with which they have met the heavy demands of the past year. The repatriation, during the year, of several of your employees who had been interned in the Far East afforded great satisfaction. Anxiety is felt for those who still remain in enemy hands.

Your Directors report with pride that, up to the end of the year, 17,067 employees of your Company were on active service with the armed forces of the United Nations. It is a matter of deep regret that 377 of these employees have lost their lives in the common cause.

For the Directors,
D. C. COLEMAN,
MONTREAL, March 13, 1944. *President.*

THE OTTAWA LETTER

Lobby Raiders Getting Ready to Blast Howe's Air Policy

By G. C. WHITTAKER

IT PROBABLY won't be anything like the famous railway lobbies of our pioneering era, nor even on a scale approaching the notorious Beauharnois power concession lobby of a relatively recent period. The brave days of such events seem to be left behind forever. But a lobby is in the making over the cutting up of the sweet though still immature melon of our skyways which promises to be something more than a pale reflection of the lobbies of our robust and reckless past.

It has been sparked, of course, by Mr. Howe's unveiling of his air transport policy. His announcement, discussed in our last letter, was less than a week old when legislators of both Houses began going into private huddles for the rehearsal of signals for an infiltration campaign against the policy.

Minister Howe will have only himself to blame if the campaign develops strongly from the first and attains initial successes. Our position in relation to the fray being that of observer rather than active combatant, we are in no way disposed to attempt an assessment of the merits of the issue. But even a disinterested observer must report that it would be possible to advance some strong points in support of Mr. Howe's policy.

Such a strong point, for example, as that Canada might be in a better position to claim for herself a suitable share of the postwar international air transport field if her whole air transport system was based on a single powerful agency, which could be used as an instrument of national policy, than if the system consisted of rival interests competing with one another at home and abroad. The conscientious observer is equally obliged to report that Mr. Howe has not advanced any such strong points in support of his policy but has planted it behind what are patently quite feeble defences which its opponents should have little trouble in demolishing.

Attack Outerworks

In the circumstances, the initial attack is developing, not against the core of the policy—which is that of a monopoly for government-owned Trans-Canada Air Lines in transcontinental trunkline service and international services out of Canada—but against its outerworks. These outerworks consist in the expulsion of the railways from air transport with particular reference to the liquidation of Canadian Pacific Railway as a factor in the field, barring of the field to any other surface carriers, neat little control provisions designed to prevent feeder line and other independent air services getting into the hands of strong interests through mergers or the transfer of the securities of independent operators and holding of the so far unexploited field out of development until the end of the war on the ground that it should be reserved for Royal Canadian Air Force personnel. (Insecure as they appear to be, Mr. Howe has been plotting these outer defences for some time. Back in September he put through an amendment to the Air Regulations which gives him authority to forbid the transfer of the share stock of any licensed air-transport operator.)

The Minister's object in all this is, of course, to establish TCA in a position of domination in the Canadian air transport field, including power to pre-empt or otherwise grab for itself any attractive non-trunkline territory it might fancy, and to secure it against any challenge to this position from private interests. He proposes to accomplish this by first liquidating CPR as an air-transport agency, and then by seeing to it that no other financially strong interests will have a chance to take its place.

Premier Drew of Ontario seriously damaged one of the props of Mr. Howe's policy with his contention last week that the holding of the independent field out of development until the war-end, in order to reserve it for Air Force men wishing to enter it as independent operators, is calculated to do more to bar Air Force men from employment in the air at a time when they will be keenest to get it than to preserve opportunities for them.

Mr. Drew's very logical argument is that few if any of these men will be in a financial position to provide themselves with transport planes and to construct air fields and hangars and provide signal beacons and other appurtances of an air line service, and that, if interests which are able to finance and organize such undertakings are prevented from entering the field for preliminary development effort now, and until the end of the war, by Howe's plan of refusing licences, the returning airmen are likely to be held out of employment of their choice for at least a year or two after demobilization.

But even if some air veterans of the war should be in a position to enter the field as independent operators, Mr. Howe or any successor he may have as Czar of the skies would be able to intervene at any time, out of concern to preserve the supremacy of TCA, to prevent their exploiting it in any big way through the pooling of their interests or the enlisting of financial support from other quarters.

No Canadian Reasons

If there is any virtue in Mr. Howe's argument that in excluding surface carriers from air transport he is merely following the example of the United States he has not revealed it and it is not apparent. It has not been established, as far as we know, that this policy is prudent even for the country in which it originated, but even if it is, the Minister has neglected to give any reasons why it should be regarded as equally prudent for Canada.

An association representing highway motorbus interests in a brief submitted to a Commons committee last week mentioned by way of recommending these interests for consideration as progressive and effective servants of the public in the field of transport (and apparently in ignorance of Mr. Howe's avowed designs) that they planned to improve the transport situation after the war by establishing helicopter services in heavily populated areas. Perhaps it remains to be determined whether such services will be needed or desirable, but if they should be desirable who would be better fitted to organize and operate them than interests such as these which are already well experienced in the transport business?

One of the few avenues of reasoning into which Mr. Howe has ventured in support of his policy is that regarding the advisability of preventing the recurrence in connection with our air lines of the competitive exploitation which led to overdevelopment in railway construction. Complete expulsion and exclusion of the railways, along with other surface carriers, from the field seems to be a rather extreme and drastic preventive measure, especially since an Air Transport Board is being set up which should be capable of controlling these private interests through the allocation of operating licenses and otherwise.

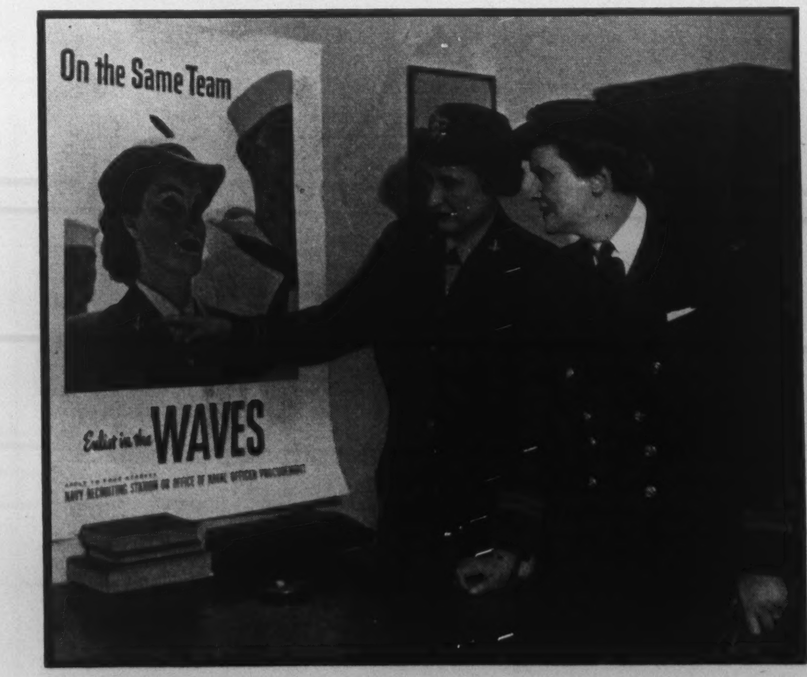
Invite Attack

The extremist character of this supporting proposition is one of the weaknesses in the outer defences of the air policy which invite attack and which are encouraging the development of old-fashioned lobby raids.

For a time after the last war, before the big American air lines came into existence, the most extensive air transport business in the world was being operated in Canada. There will be a tremendous field for air transport services in this country after this war, apart altogether from mainline services reserved for TCA. These services are going to be needed, particularly in connection with expansion of the mining, lumbering and other industries.

One would think that a very important question for parliament to determine is whether the provision of these services on an adequate scale can properly be left, as Mr. Howe proposes to leave it, to small operators who could always be prevented at the Minister's discretion from becoming big operators through consolidation, or whether the field should be left open to interests with the capacity in organization, experience and financial resources for developing it fully.

The lobby efforts which are being so promptly organized to take advantage of the exposed defences of Mr. Howe's policy may conceivably have a hand, however far from lily-white that hand may be, in determining it. But perhaps there would have been lobbies anyway even if Mr. Howe had taken the trouble to make out a better case. The stake is worth a call for a showdown.



On a tour of United States Naval Training Establishments, Lieut. Nancy Pyper, well-known Canadian newspaper woman, now serving as Public Relations Officer attached to W.R.C.N.S. headquarters in Ottawa, delivered the Commencement address to Yeoman Waves at Cedar Falls, Iowa, the largest school of its kind in the United States. It was the first time a Wren officer had been invited to address American service women. The anchor insignia shown on the collar of the Wave in the enlistment poster is pointed out to Lieut. Pyper (right) by a U.S. Wave officer.

BRITISH NEWS-LETTER

Coalitions Are Always Very Difficult to Hold Together

By COMMANDER STEPHEN KING-HALL, M.P.

(Cabled from England as part of the London News-Letter and published by special arrangement. Copyright.)

THE problem of holding together a great coalition of powers is always difficult, as this country has learned from past experience. The present war is no exception in this respect, and calls for patience and understanding and compromise, sometimes to a degree almost beyond human capacity.

We have clearly reached a point in the war when the ultimate defeat of Germany is as certain as the outcome of any great struggle can be. Indeed that defeat might come with astonishing rapidity.

What we have not done is to achieve the coordination in political measures between Britain, America and the Soviet which is required to bring maximum pressure against our enemies. If we can achieve this it may hasten the hour of victory. Conversely, if certain independent tendencies were to get out of hand it might enable Germany to win the peace through the stalemate solution.

Teheran and Cairo gave the promise of political cooperation between the leading Allied Powers. That promise has not been wholly fulfilled. The Big Three are not yet making full use of the political weapons available to them for use against Nazi Germany.

The Middle East, oil, civil aviation, trade with Latin America, are a few of the problems of the present coalition, which at once spring to mind. But not with these questions, however important they are likely to become in the future, are we concerned here.

We are thinking rather of the contrast between what Britain and America are saying to our enemies and what our Soviet allies are saying.

We still cling to the empty and meaningless formula "unconditional surrender" and hold out to the battered and dispirited peoples in the enemy countries no alternative which, however hard, would appear to them preferable to their present condition or the nameless horrors their propaganda has led them to expect from us if they surrender.

What Russia Does

What do the Russians do? They have offered the Finns armistice terms which even neutral Sweden acknowledged to be reasonable and attractive. While the offer has not yet brought Finland out of the war, it has had a profound effect on the Finnish mind and has already led the Balkan satellites to reconsider their position. Recently the Soviet, speaking through Dr. Benes, offered terms to the Rumanians considerably better than that country dared hope for, which is certain to have an effect, perhaps a decisive effect, on the Rumanians' attitude at a critical moment in the struggle for southeast Europe.

We have no fear of Russia making a separate peace with the Germans when she has cleared them from her soil. But we are somewhat concerned lest the British and the Americans should maintain the unconditional surrender demand and the Russians, who have shown more intelligent appreciation of political warfare, should define their terms to Germany. If that should happen it would increase the problems of coalition. But if all three powers can agree on a statement of our terms it will strengthen the ties of coalition and incidentally may shorten the war.

Or again, take the question of Russia's exchange of diplomatic representatives with the Badoglio Government. You may say that this represents a slap in the face for the left-wing elements in Italy, and shows that Moscow is prepared to work with the right wing, the reactionary elements. You may also say the Russians took the step because they were dissatisfied with the Mediterranean commission and took it at the moment they did without consultation with London and Washington because they were annoyed by President Roosevelt's statement made without any warning to London and Moscow about the Italian warships.

There is something in all these arguments, but the fundamental fact which emerges is that the political coordination between London, Washington and Moscow has not reached a point where we can exert the maximum pressure against the enemy.

What Russians Read

People have often written me, "we all know how the Russians fight, but can't you tell us more about how they live, think, and amuse themselves?" I have given information from time to time about the various aspects of life in Russia, but I suppose few Englishmen would care to commit themselves to a description of "what the Russians think". I can however tell you something of what they read, what they write and how they write it."

But first of all, who are "the Russians"? Russian-speaking peoples make up fifty-eight per cent of the total population of 180 millions in the Soviet Union. There are 175 nationalities in the Union made up of 16 Union Republics. The most important is the Russian Soviet Federal Socialist Republic (RSFSR). The Union Republics in turn include, within their frontiers, twenty autonomous Republics, nine National Regions, ten National Districts. The Soviet Union has a centralized government for all national groups represented in the Supreme Council of the USSR. The Communist Party is the most effective centralizing force of all.

One of the main features of the Russian policy in recent years has been the development of the spirit of Russian nationalism within what might be called an empire framework. Local native cultures have been encouraged and native languages taught in schools and institutions, with Russian as the second language. Districts and regions have been allowed to group themselves into Republics and Republics have advanced in status from autonomous to Union Republics. Thus local patriotism has been quickened by the deliberate fostering of native languages and customs, but over-riding patriotism for the Fatherland is being acquired through the political organization and teaching of Russian, and was intensified of course by the war.

Naturally, the printed word has played a great part in the development of the new Russia. In 1913, 86 million books were published in Russia, and in 1939, 707 million. In twenty-five years of Soviet rule 9 billion books and pamphlets have been published. These are astronomical figures, but it must be remembered they refer to copies, not works. Some works run into a million copies each. The figures for the number of works published is not available. Books have appeared in 100 different languages, 40 of these languages were unwritten before revival by the Soviet.

"Political Literature"

Nearly every department of the state has a publishing house of its own. So have the trade unions. A special branch for the publication of "political literature" is now launching a series of books on foreign politics. A work can be initiated by the government or by the writer. In the latter case the writer takes the manuscript to the appropriate department of the state and tries to get it to publish his work. Though there is no official censorship, it is understood that the books are censored inside each publishing house.

Every writer has to belong to a writers' union. Today it is the special responsibility of the writers' union to see that there is not a single writer who is not working for "the Front". In Russia the Front means war effort in all its forms. Authors who prefer to wait until they have gained more experience will probably find that they missed a great opportunity, and that time and the nation have passed them by.

Books are mercilessly scrutinized and discussed.

The Russians are great readers, since the distribution of life's essentials is strictly controlled. Books are one of the very few things on which they can and do spend their "free" money.

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CANADA

Ontario's Health Plan Has Wide Importance

By D. P. O'HEARN

Ontario's municipal health legislation is of interest to all of Canada as it is likely to be the first government health scheme to go into effect in the Dominion.

The Ontario approach to health planning is to build from the "ground up", and the present legislation passes the option of health insurance on to the municipalities, with the Province retaining final control. Politically it has much in its favor.

WITH the important part that health is playing and will continue to play for some time in our national affairs, Ontario's Health Bill which has gone through the Legislature and is now waiting to be put into effect has very widespread significance.

The Bill promises to be the first contact that the Canadian public will have with a government health scheme. It is not the first "health insurance" measure to be passed by a government in Canada but it seems likely to be the first to go into effect. British Columbia and Alberta both have had health insurance legislation on their books for some time, but for various reasons neither province has managed to put it into action, while the Ontario measure undoubtedly will be in operation soon.

Another very important significance of the Ontario plan, this one political as well as social, is that in its approach it contrasts greatly with Ottawa's Heagerty Plan, the contrast being so extreme in fact that there can be seen in the two a key not only to our future health plans but also to our future general political trend.

Broadly speaking, the Ontario Bill is enabling legislation which permits municipalities to set-up local medical and hospitalization schemes under the control of the Province. The Bill, which is officially titled, "An Act to Enable Municipalities to Establish Health Services", provides that any municipality or group of municipalities may, after the question has been submitted to and approved by the local electorate, apply to an Ontario Municipal Health Services Board to supply the services decided upon; medical or hospitalization or both according to the extent that the electorate has considered meets its needs and the Health Services Board, appointed by the Province, supplies the services. Final control, including authority over maximum services to be given, so that there won't be undue strain on limited health resources, remains with the Province. Supervision is vested in a municipal committee.

Decentralizes

The basic principle of the plan is that it stresses decentralization, with freedom of choice given to the smallest practical unit, the municipality, while supervision and control is kept with the province so that all plans will effectively co-ordinate with preventative health measures. The Ontario Minister of Health, Dr. Vivian, has always stressed these as being in his opinion the greatest need. A feature that is emphasized by its originators is that the Ontario plan is built on the premise that the needs of different communities vary and it stresses flexibility. A rural community, needing a certain type of medical or hospital service, can acquire exactly what it wants or wishes to pay for, while an industrial community, whose needs will probably be quite different, has the same choice. Grants-in-aid by the province for needy municipalities are provided for in the plan.

One confusing thing about the Ontario plan to those who have not studied it closely is that at first glance it seems very similar to the municipal doctor and hospital schemes at present in operation in many sections of the West, and also similar to a measure patterned on these schemes which was introduced in the Ontario House by the CCF. There is reason for this confusion but there is one great essential difference in that under the CCF and Western schemes the municipalities purchase their own services, while under the Ontario plan the purchasing power is in the hands of the Provinces, ensuring the best control of co-ordination of the municipal schemes with provincial preventative health policies.

The contrast between the Ontario measure and the Heagerty Plan is best illustrated by the Ontario Minister of Health's own description of his plan. Dr. Vivian has long stressed that his approach to state health is "building from the ground up." While for some time what he meant by this wasn't exactly clear, once his bill was made public it was obvious what he was driving at. In providing for state health he intends first of all to build the foundation, and then, as more doctors, nurses, hospitals, etc., are available, and as they are needed, he will add the upper stories of his house. In other words, he is providing a basement now, because some shelter is necessary, but he isn't going any further until he is sure the materials are available to finish the job, and, one imagines, until he is sure that the other stories of the house should be provided by the state.

Contrast to Ottawa Plan

In contrast to this the Heagerty Plan, of course, envisions a whole house from the start — although some of the shrubbery, such as dental benefits, will have to come later. Essentially the contrast in the builders is that the Dominion is going ahead not quite sure what is wanted and what materials are available, but because it believes the need is great is building anyway and looking forward to future alterations; while the Ontario attitude is to build so far as possible, only as it is sure what is wanted. The Dominion bill also is a standard house to cover all classes, while the Ontario Building strives through its flexibility to be tailor-made.

Just how the two plans will work together, if the Dominion passes its measure, isn't clear. Actually all the Dominion measure provides is suggestion and financial grants, the Province will have to put the legislation in effect, make their own added contributions, and carry out the plan. From the known attitude of the Drew Government and particularly from the present bill it seems unlikely that Ontario will wish to adopt it. The coming Dominion-Provincial conference may throw some light on this.

The political side-lights of the Drew bill are interesting. Nothing else so far has given so definite an indication of Mr. Drew's, and so far as that goes of the Progressive Conservative Party's political psychology.

Actually the bill is somewhat of a political master-piece. In providing for the widest freedom of choice, and yet at the same time opening the way for state health where it is really desired, it gives the least possible offense to anyone. Provisions of the bill which allow for Christian Scientists and like groups, and also for those already subscribing to private or fraternal medical and hospital schemes, give protection to the minority and soft-pedal one of the biggest objections to socialization schemes. The very important, politically, interests of the medical profession are protected through the scheme which gives no threat of all-out socialization of the profession, as does the full CCF plan. Finally the individual is given some say in the important matter of dollars and cents. There has been no talk of costs as yet, but in any event choice of the amount they wish to pay will be left to the municipalities.

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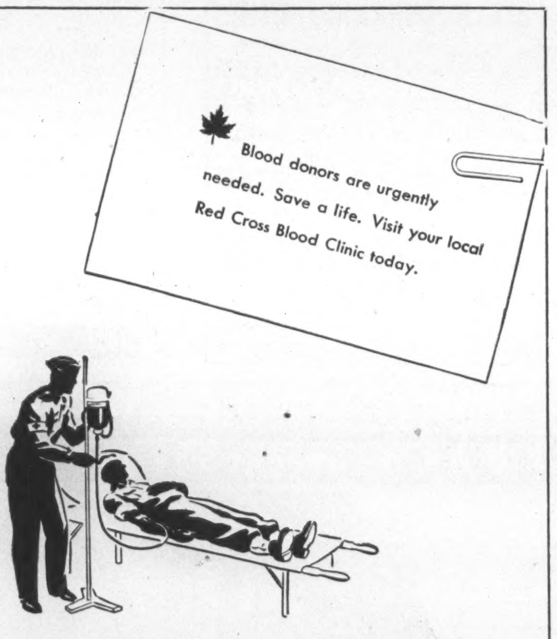
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THE HITLER WAR

The Mighty Russian Offensive and Timing of Our Invasion

By WILLSON WOODSIDE

THE March leaf has been torn from the calendar, but with none of the light-heartedness and even excitement which used to attend the arrival of spring. With the mighty struggle on which we are engaged moving with an awesome sweep towards its climax, what man can contemplate the events which we may witness before we tear the next leaf, or the one after that, from the calendar, with anything but sober and grim determination. It was this sentiment, I believe, which inspired and permeated Mr. Churchill's Sunday speech.

I have met many people since my return from Britain who say "invasion—yes, *if there is an invasion.*" Perhaps it is natural to wonder if this operation, so long talked about and so long delayed, will ever really come off. Let this doubt be put firmly out of mind. The vast operation at which Mr. Churchill hinted repeatedly in his speech is coming—though perhaps, as he said, only after further rehearsals and false alarms.

For the highest reasons of policy and prestige, this climactic effort of ours must come, and it must come on the agreed time schedule and on a vast scale. It is supremely desirable that it should strike the decisive blow in the European war.

Into this effort we have for half a year or more poured and concentrated an overwhelming part of our production, our training and our planning, and to it must also be accredited our vast anti-U-boat campaign. That is the chief reason why, in contrast to Russia's dramatic successes, Mr. Churchill could only point to the foot of Italy won and a beginning made in Burma, since his last broadcast just after the Quebec Conference.

Bet All On Last Race

It is as though we had bet everything we had on the last race. To redress the military balance of the war and the political balance of Europe, to establish the prestige of our democratic arms among the nations to be liberated, and those standing on the sidelines, as well as among our own soldiers and population, this last race has to be run, and won with a ringing finish.

As the time comes nearer and nearer for this great venture, one studies anxiously the developments on the Russian front and in the aerial bombardment of Germany, to estimate if our timing will be right; and the actions at Cassino and Anzio, to see whether our methods are right.

Has the break-up of the German front already begun in the east, or is the Soviet success partly due to a German transfer of forces to the west, and a planned retreat to a shorter line in the east? Will the air assault, on which we have also gambled a great part of our resources, soften Germany sufficiently and pay off its accumulated dividends by invasion day? From the results of recent fighting in Italy, how much dare we count on air power against an enemy who has learned to fight most effectively, in certain circumstances, with air inferiority?

Could one not detect these fateful questions weighing Mr. Churchill down last Sunday?

As the deadline for invasion nears inexorably we find the American and Canadian army newspapers in Italy openly admitting that our methods at Cassino have been wrong, and our latest offensive there, opened as it was with a terrific aerial bombardment, a failure. Our leaders now have to decide on different tactics for reducing such stubbornly-held strongpoints, and on how much the ineffectiveness of the air arm was due to the peculiar topography of Cassino, how much we can safely count on it against the German fortifications and field positions in Western Europe.

As has often been said, the best fortifications are no stronger than the morale of the troops holding them. Here is another great question for our leaders to decide, perhaps the greatest of all: *should we judge the present state of morale of the German Army by the defence of Cassino or the flight across Bessarabia?* To what extent does the retreat in Russia represent a German front-shortening operation, with a temporary weakness due to the shifting of important forces to the west to meet our invasion?

As to this, there is, I believe, convincing proof that what we are witnessing is due primarily to Soviet offensive power and brilliant strategy and tactics, rather than to any German plan of retreat. For the sector in which the Soviets have made their greatest advance is just the sector which the Germans most needed to hold, to cover a planned retreat in the south or centre, because it is the joint between these two fronts.

Hinge Broken

It is here that they have deployed their strongest forces and made their most vigorous counter-attacks all winter, first to cover the Lwow-Odessa trunk rail line, and then to cover the Lwow-Cernauti-Jassy line. This stand of theirs, successful for nearly four months following on the creation of the "Kiev bulge", has been broken decisively, so decisively that part of the defending German army has been pocketed and the Red Army has surged across the long-fortified line of the Dniester without the slightest hold-up.

Had the Germans really been engaged in a voluntary front-shortening operation, intending to fall back and rest their line on the Carpathians for some two hundred miles, holding the gap between the mountains and Danube delta, to cover the Ploesti oilfields and entry to the Balkans, and a line across Poland and up to Riga, covering the Reich itself, they would have held the hinge in their south-central front and withdrawn their large army in the Dnieper bend first.

The latter would have more than sufficed to hold the short Carpathians-Danube delta gap. The additional forces which would have been left over, representing the net profit from the front-shortening operation, could have been transferred to general reserve or to the western front.

As it is, it appears that the Germans have lost very heavily in men and equipment from their forces in the Dnieper bend, and will lose still more. Far from having a net profit from front-shortening there are credible reports from Turkey that fresh divisions are being rushed across Hungary to cover Ploesti. It seems indisputable that they are suffering one of their greatest defeats of the war, and quite possible that their front in the east has begun to crack.

Now it cannot be assumed that the German High Command has just been too stupid to manage its affairs, and that any commentator could have done better. There must have been strong compulsion behind their stubborn stay in the deep Dnieper bend, over 700 miles from the German border, while the Red Army had approached to within little over 300 miles of Germany. Could this compulsion have been the manganese of Nikopol?

Early in the war we used to count a great deal on Germany's raw material deficiencies, and I myself wrote long articles to show how short Germany was of many vital supplies to feed the rapacious maw of her war machine. As the years passed and Germany showed immense power, this argument seemed fatuous; and for a long time it has scarcely been mentioned at all. But perhaps, just as we have given up thinking of this subject, the long-hoped-for shortages are really taking effect. If Germany has not run short of certain vital materials, it is because she reached out a very long way to gather in necessary supplies. Now when purely military considerations call on her to shorten her extended front, and gather reserves to meet the culminating challenge of the war, she may not be able to do this, for economic reasons.

The latest analysis of Germany's raw material dependency, by the British Ministry of Economic Warfare, is quite enough in itself to explain the attempt to hold distant Nikopol in the Dnieper bend, and equally distant Petsamo, in Northern Finland, the full occupation of Hungary and the Balkans now being carried out, and the need to hold on to Northern Italy and Southern France, as well as the exposed outpost of Norway, when military arguments call for a contraction of the ring of defence about Germany.

From Nikopol Germany drew 60 per cent of her manganese, absolutely essential in making steel. The remaining 40 per cent, which is now her total supply, comes from the Balkans. From Roumania Germany draws over one-third of the oil which is the very life-blood of her war machine. From Petsamo comes two-thirds of her nickel; and this is why 7 German divisions have been maintained in the extreme north.

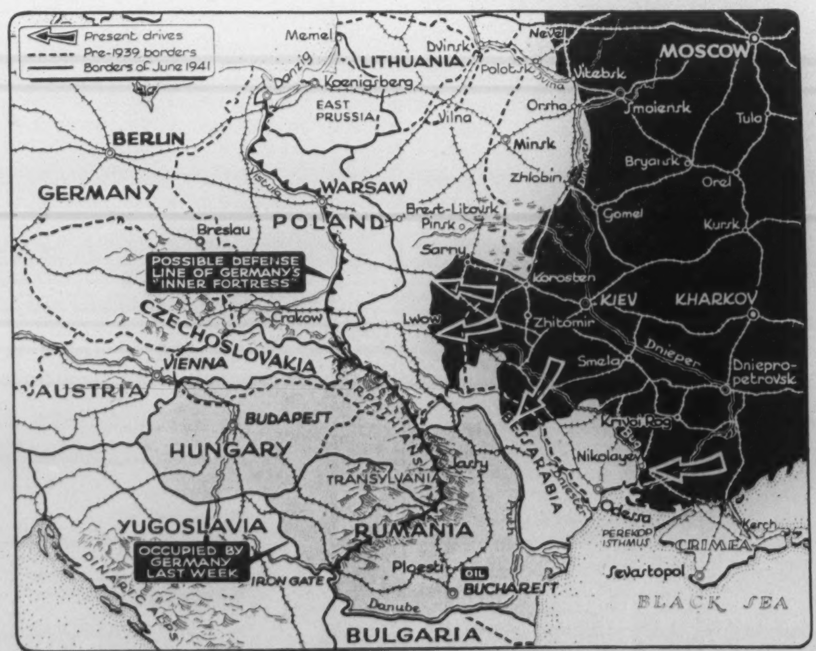
In Norway she must keep 8 molybdenum divisions; for it is said there is no substitute for molybdenum in making airplane crankshafts and other highly-stressed parts. The divisions which Germany has to keep in Yugoslavia are her copper and chromium divisions, for nearly half of her supply of these vital metals comes from here. Similarly, although we are now operating half-way up the Adriatic, Germany must maintain troops far below in Greece and Crete, to cover her sole nickel supply, in Greece, should she lose Finland.

It is hardly to be thought that, under the long strain of war production, and considering her skyrocketing consumption of such materials, Germany has been able to build up large stockpiles of all of them. Here is a potent reason why she must remain straddled across the length and breadth of Europe.

Germans At Full Stretch

It is thus, at full stretch across Europe, and having great difficulty in holding her eastern front intact, that Germany faces our invasion blow. Because this will be so much more powerful than any we have dealt in Italy, will strike out into open country once it has cleared the coastal fortifications, and will enjoy an unprecedented air support, I believe that its success is not to be too closely gauged by our progress in Italy. In the latter sector, in terrain ideally suited to defence, Hitler has been able to make a good showing with relatively few picked divisions. It does not follow by any means that he will be able to find the much larger number of good divisions necessary to hold the additional Western front, with open terrain.

Our habit of preparing to "the last button on the last tunic" may mean that the move will not come until, as Mr. Churchill said, after numerous false alarms and dress rehearsals. We may not be entitled to expect, from past records, bold or brilliant exploitation of success. Yet such will be the power behind the offensive, and such Germany's condition of economic and military attrition, that I am confident our assault will succeed, and hopeful that it will come in time to deliver the *coup de grace* to Germany.



THE RUSSIAN ARMY POINTS TOWARD THE 'INNER FORTRESS'

Map by N.Y. Times

The great wedge which the Red Army has driven with unerring strategic direction, and under cover of the Pripet Marshes in the north, has now broken the hinge between the German Southern and Central Fronts. The Soviet drive may divide when it reaches the Carpathians, one arm swinging northward against Warsaw, the other curling south against Ploesti.

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1. Too many people have become complacent. They are now taking the war for granted. Many have prospered, and that very prosperity has, in some cases, dulled their sense of urgency.
2. Too many people believe that the war is all but won; and that there is no more need to buy Bonds. Nothing could be further from the truth.
3. Far too many people have not yet bought a bond of *any Victory Loan.* By all possible means they must be persuaded to buy this time.
4. Emphasis should also be laid on the need for holding on to Bonds. Too many people have bought Bonds to "save face" and then sold them. That doesn't help Canada or them.

The Sixth Victory Loan Campaign will need leadership of all business men. If you don't lead — who will?

6-45

NATIONAL WAR FINANCE COMMITTEE

CABLED FROM RUSSIA

Why the Russian Farm is Called the Backbone of Red Army

By RAYMOND ARTHUR DAVIES

Moscow

DESPITE the enormous strides that have been made since the Revolution in constructing modern industry, adopting modern techniques in building great cities and developing powerful industrial regions the backbone of the Soviet Union still remains the farmer. But he is no longer the traditionally known peasant of old. Today's farmer is a new man in old Mother Russia. He loves his land as much as his forbears did, but unlike them he does not love his own little plot alone. He is a collective farmer and his fortunes are intimately connected with those of his fellows. If they don't pull together they all go down. Working together they have a good opportunity to become prosperous. And it is this man who is the basis of the Red Army, who wins its victories, and who will determine the future.

What has happened to the farmer in war time? What course has collective farming pursued? How has it made war?

Here is the story of one collective farm.

This farm, named after Stalin and located in the Province of Kazakh was formed in nineteen twenty-nine. It was composed mainly of inhabitants of the small village of Kholmogorovki and by nineteen forty numbered three thousand souls, of whom eleven hundred and thirty-eight were able to work. There were three hundred and ten families, six thousand five hundred head of cattle, thirty-seven thousand and five hundred acres of land and a million and a half roubles annual income.

Modest Beginnings

In the beginning, as with everywhere, it was more modest. In nineteen hundred and thirty-four the yearly income was only six hundred and forty thousand roubles, but from then a period of advance began. In the centre of the village rose a handsome hall of culture seating three hundred people for movies and lectures. Nearby, in the midst of a garden setting, was built a children's centre and not far away a hospital with a modern delivery room was constructed. Using their own power the farmers built a 13.5 kilowatt power station, and in nineteen thirty-nine began to build another seven kilowatt station for the cattle farms.

Among the modern buildings constructed before the war were two grain elevators, a garage, eight barns and stables, and a bakery with an output of a thousand pounds of bread a day. Two-story white houses replaced khatas and for the best workers twenty-eight three-story houses were erected. In the Karataus Montains not far away the farm established a vacation and rest home.

Side by side with this advancement of the collective as a whole went the enrichment of individual members, many of whom received so much grain that they stored it in the collective's elevator. In addition, all had their own cows, pigs, sheep, goats and chickens. Farm needs were served by two stores that handled canned goods, wines, spirits, bicycles, furniture and even radios and phonographs. The farmers had an excellent orchestra, dramatic groups and choirs, and showed latest Russian films. In nineteen thirty-two there were only seventy-two illiterates and in nineteen forty there were only fifteen, all newcomers. The collective farmers were Russians, Ukrainians and Kazakhs and all lived well in mutual respect.

War Brought Changes

Then came the war. During the first weeks a hundred and ninety-six men were called and joined a rifle division then being formed. When leaving for the front the men-folk instructed those left behind "not to permit a decrease in the wealth of the collective" and the women swore they would keep the faith.

Inevitably the collective farm felt the loss of these vigorous men leaders in all activities. Especially felt was the departure of thirty-six of forty-five Communist Party members nearly all of whom were skilled agriculturists and farm activists. One of the first steps taken when the menfolk left was to place old men and women in all responsible positions.

Those were dark days in the Soviet Union. The enemy was moving forward and the world held its breath waiting for the bloody and, what was thought by many, inevitable denouement. Were not the Nazis all powerful? Had the German army ever been held? But the Kholmogorovkites did not permit themselves the luxury of such speculation. When on July 3 in nineteen forty-one Stalin called on the nation for the utmost resistance eighteen hundred and ninety-five collective farmers gathered at thirty-five meetings to see what to do.

At the end of September in forty-one the farm, despite the lack of men, finished taking in the crop. Every family did everything possible to aid the army. Collections were made of clothing, food and other necessary articles. The swinery manager donated his coat, gloves, hat and some socks. Donna Soloshenkova gave her coat and gloves and so did others. Altogether, the collective sent the Red Army fifteen hundred articles of warm clothing.

Then the farm was called on to help in another way. By September in forty-one whole families evacuated from Lithuania and the Ukraine had begun to arrive. Soon there were four hundred and thirteen evacuees. The collective helped them, established a commission to deal with their affairs, distributed coats and warm clothing, arranged housing and gave them wood, and then allocated various fields for them to work. The evacuated and tired people soon felt at home. Now the collectivists say, "Among us we have not evacuees. All are our own."

Fanya Gurevich, a young Jewish refugee from Lithuania, spoke no Russian when she arrived. She learned quickly and now is the best worker in the Fourth Field Brigade.

One of the evacuees now gone home, A. P. Varopay, a Stalino school teacher, wrote her friends "in addition to working in school together with my children I worked in the field. For the winter I was given nearly a ton of wheat, half a ton of potatoes, two pigs and fifty chickens."

Trained to Fight

In December of forty-one the collective farmers began to learn the art of war. Veterans of the civil war trained them as machine gunners and soldiers. Almost unbelievably, the end of forty-one found the collective in better shape in some respects than at the end of the preceding year. The number of cattle and horses rose from six thousand and six to over six thousand seven hundred despite the fact that a hundred and sixty of the best horses were given to the army. The average milling rose from sixteen hundred and sixty liters to eighteen hundred and eighty. And the collective sold more than five hundred bushels of wheat to the government and donated three thousand to the Red Army.

To their sons in the Army the farmers sent three hundred and forty-six parcels weighing nearly fifty pounds each.

By the end of that year more than three hundred of the farmers were in the army, thirty had been decorated for courage and military accomplishments and two were named Heroes of the Soviet Union.

Nineteen forty-two began with the welcome news of the German defeats near Moscow. But still more had to be drawn from the land. Kazakhstan had to increase the sown areas to make up for the loss of the vast Ukrainian grain lands. It was decided to have even more women and children help out in the fields and in other work. And even at that early time they assigned fifteen cows, seventy sheep, a hundred and fifty bushels of wheat, ten pigs and fifteen hundred roubles to help the liberated

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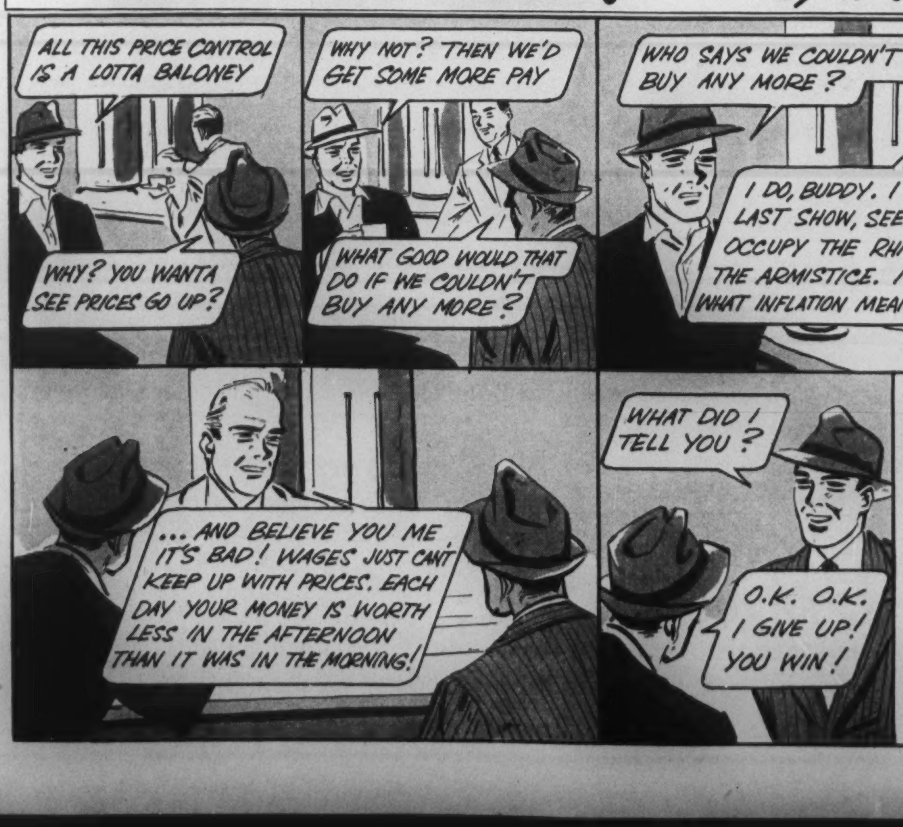
ISN'T IT THE TRUTH? By Ti-Jos No. 39


ALL THIS PRICE CONTROL IS A LOTTA BALONEY
WHY? YOU WANTA SEE PRICES GO UP?
WHY NOT? THEN WE'D GET SOME MORE PAY
WHAT GOOD WOULD THAT DO IF WE COULDN'T BUY ANY MORE?
WHO SAYS WE COULDN'T BUY ANY MORE?
I DO, BUDDY. I WAS IN THE LAST SHOW, SEE. HELPED OCCUPY THE RHINE AFTER THE ARMISTICE. I SAW WHAT INFLATION MEANS...
... AND BELIEVE YOU ME IT'S BAD! WAGES JUST CAN'T KEEP UP WITH PRICES. EACH DAY YOUR MONEY IS WORTH LESS IN THE AFTERNOON THAN IT WAS IN THE MORNING!
WHAT DID I TELL YOU?
O.K. O.K. I GIVE UP! YOU WIN!

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regions. In addition they collected food and money for the children and the collective farmers of Leningrad Province.

The Stalingrad battle was fought, so to speak, at the border of Kazakhstan, and though this collective was nearly two thousand miles away at the other end it excited deep sympathy. The farmers sent parcels to the soldiers and pledged themselves to work harder against the enemy.

Everyone worked more and more earnestly. The number of collective farmers who earned from a hundred to two hundred days pay was two hundred and twelve in nineteen forty, four hundred and twenty-three in forty-one and eight hundred and twenty-three in forty-two. The number of horses increased again as did the number of pigs.

Shortages Felt

Meanwhile the shortages became more and more felt. Salt was not to be obtained. Then the farmers found a salt deposit a hundred miles away and began to mine it for themselves. Then they sent brigades to far away forests to cut wood for the farm and construction continued. Bricks were not available so a brick works was started and by the end of nineteen forty-two twelve thousand bricks had been made. From clay that was discovered the same year five thousand cups and plates were made, and when these needs had been satisfied production was turned to clay piping for water supply for the cattle.

In the fall of nineteen forty-two the farm had a few cases of typhoid fever. Then a bath-house was built for each field brigade as well as a disinfecting station. An epidemic was avoided.

Iron goods were not to be obtained so the farmers collected all the metal not being used and made their own pails and other implements.

The farmers' prosperity rapidly grew. In nineteen forty-one they subscribed eighteen thousand roubles to the government lottery. A year later they chipped in forty thousand. In forty-one a hundred and twenty thousand roubles worth of war bonds were bought and in forty-three a hundred and thirty-five thousand. When Kazakhstan began to collect money for a tank column to carry its name the farmers subscribed five hundred and fifty thousand roubles and seventeen hundred bushels of wheat.

All of this formed a good foundation for nineteen forty-three. That spring the collective farm placed under cultivation a thousand more acres than in the preceding year. The new crops planted included: a hundred and fifty acres of corn, forty acres of peas, and thirteen acres of sunflowers for sunflower seed oil. The number of cattle was increased by two thousand three hundred and forty-seven head.

Worked Under Difficulties

Yet all this was accomplished with a lack not only of men but of machinery. At the beginning of the war the farm gave its seven three-ton trucks to the army but repaired two old ones and with these and horses and oxen managed to get along.

By nineteen forty-three five hundred and thirteen collective farmers from this farm were in the army, yet conditions were so good that from a hundred and fifty to two hundred wounded are being received monthly for rest and rehabilitation. The wounded men are given lodging and care, and as they become better they take part in the farm work. At the beginning of the year the farm rest home also was turned over to the army.

The men at the front write frequent letters to their families and to the farm leaders. These letters reflect the deep love of the men for their land from which they are temporarily separated. And these letters and a look at their farm make it easy to understand why the men fight if need be to death. The Soviet Union is indeed strong in its very foundations and its soldier-farmers fight obviously because they have a great deal at stake; as Russians and as men, but also as farmers whose work had been getting easier and who stand to lose their all by the coming of the hated enemy.

THE LONDON LETTER

Average Briton is Not Yet "Sold" on Benefits of Electricity

By P. O'D.

IN A small country like England, densely populated and highly organized, you might expect the production and distribution of electricity to be developed on a national scale, with more or less uniform tariff and conditions. But this is far from being the case. Hundreds of separate electricity undertakings are scattered all over the country, some as efficient as any in the world, but others almost as primitive as those that Thomas Edison must have known in his boyhood.

The result is that the price and the quality of the service given vary enormously. In some districts electrical service is excellent and reasonably cheap. In others it is good and expensive, or bad and expensive, but very seldom bad and cheap. These two things don't seem to go together. There is, at any rate, no uniformity. It is just a matter of luck, and where you happen to live.

One reason for this backward state of affairs electrical is that English people as a whole are not nearly so interested in electricity and so keen about its use as are Canadians and Americans, for instance. To many of them electricity is still a new-fangled device in which they have no confidence, or which at least they cannot be bothered to install. It is still not uncommon to find large and otherwise well-appointed houses, which are lighted by gas or oil-lamps—and that with electricity immediately available!

Efforts have already been made to tighten up electrical organization in this country, to improve and extend its application, and, in general, to "sell" electricity to the public. A further strong effort is now being made in this direction.

Experts representing some 350 companies are preparing plans for post-war development, which they hope will result in cheaper electricity, more and better electrical equipment, and a standard tariff of charges. All they ask is that they should be allowed to get on with the job, with a minimum of Government interference. Odd that they should feel that way about it!—or is it? They ought to know.

Right-Hand Drive

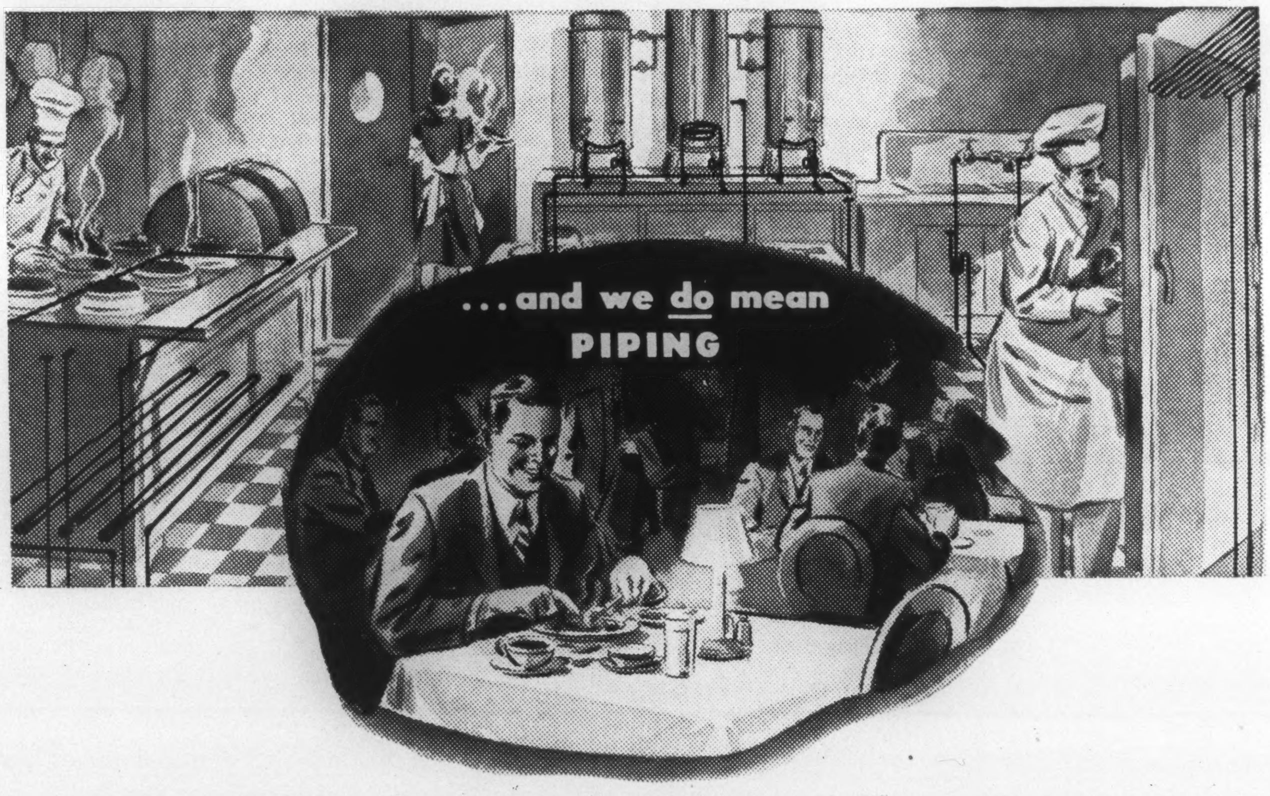
Every now and then as you drive along the roads in this country—or, more probably, push-bike—you meet or pass Army vehicles, marked "left-hand drive, no road-signals". It pays to be careful. If it is an English driver, it is not so bad. But, if it is a Canadian or American, he is apt to swing over to the right, especially in moments of emergency. The habits of a lifetime are not easily broken.

This has brought up again the old question of the British rule of the road, but it is very unlikely that anything will be done about it. It is just as natural for an Englishman to drive to the left, as it is for a Canadian to drive to the right. Making the change would be the very dickens of a business.

Every mechanical vehicle in the country would have to be altered. Otherwise you would have trams and 'buses depositing their passengers in the middle of the road. And the drivers of cars would be on the wrong side for giving signals and for watching oncoming traffic. For a while the accident rate would be catastrophic.

Visitors to this country are apt to regard the British rule as an instance of pig-headed national conservatism, the mere desire to go on being different. But actually some 50 countries have a similar rule, as against about 75 that drive to the right. So the British have plenty of company, though I don't imagine it would make much difference to them if they hadn't. That's the way they are.

"PIPING HOT"



THE next time you are in one of the big modern restaurants, you may find it interesting to contemplate how piping equipment enters into the preparation and serving of your meal. If you could see behind the scenes, you would notice piping in the refrigeration system; in the food and plate warmers, with their heating coils; in the large coffee urns, with their pipes and valve controls; on the gas lines to ranges and other cooking appliances, and of course, supplying water through familiar faucets for countless washing and scrubbing operations. Some sea-food restaurants even prepare oyster stew to individual order in tiny jacketed kettles heated by steam conveyed through pipes from the steam boiler.

Eating out is a commonplace and often a great treat with a vast number of people. The fully equipped and modern restaurant is possible because of pipes, valves and fittings . . . the same equipment which is found further back in the meat packing plants, in food processing and packing establishments, in dairies and bakeries and storage plants. Crane supplies much of this equipment, including heating systems and plumbing fixtures, which is why everywhere you go, you will often see the familiar name of Crane or the initial "C".

A Tip for Today

Try to avoid eating when you are hurried—it's better to wait a while until you "slow down". Worry or strain also interferes with proper digestion—don't indulge in heated meal-time discussions. Relax—and enjoy your meal—give your digestion a chance!

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MARITIME LETTER

Fine Brains Are Bred on the Rocky Shores of the East

By PETER P. GOULD

GEORGE FERGUSON of the *Winnipeg Free Press* has us in his debt for bringing to the attention of the Maritimes Arnold J. Toynbee, who in "A Study in History" speaks not too kindly of our rocky shores. Mr. Toynbee has a theory that difficult physical environment brings forth the resources of mankind. . . within certain limits. Definitely within certain limits. There is a point, he says, beyond which his theory doesn't work; a point where adversity, to man, rather than a spur becomes a kick in the pants. In North America, he says, this point lies somewhere between the pier at Old Orchard and the casino at Newport.

Precisely, he says: "The operation of the law of diminishing returns, which begins to reveal itself in the contrast between Maine and Massachusetts, comes out much more clearly if we extend our survey northwards to the rest of the English-speaking communities along the Atlantic seaboard of North America. New Brunswick and Nova Scotia, which occupy the mainland between Maine and the Gulf of St. Lawrence, are the least prosperous or progressive provinces of the Dominion of Canada with the exception of the north-eastern neighbor, Prince Edward Island."

Secession for Supper

This is a heady argument and who are we to argue about its truth? Why waste time with Mr. Toynbee, who undoubtedly would be just as unappreciative of the small pleasures and compensations of our unusual life as are, and long have been, the dollar doggers of Upper Canada? It takes a more subtle mind than one trained in the money marts to appreciate the joys of eating Confederation for breakfast, free trade for lunch and secession for supper.

What we are indebted to Mr. Toynbee for is the key, at last, to our great brains. Long we have wondered why we in the east are so extravagantly bright. And now we know. Our minds, probably at the start no better than the best in other climes, are ground on the hard granite of our rugged coasts and whetted to perfection by adversity in an arduous fight for life.

Until "A Study in History" came along we had always suspected that it was our schools that were responsible for Upper Canada looking down our way when it wanted to get hold of somebody particularly bright. This was probably the influence of Ralston, Ilsley and Macdonald, the three sons who, of course, come first to mind today. They are products of Nova Scotia country schools, with the exception of Mr. Ralston who grew up in a town.

Lately this theory was confirmed when Ottawa had another ticklish job on its hands and yanked Judge Maynard Archibald to the capital to be Chairman of the National War Labor Board. Judge Archibald is another Nova Scotia small town boy who was educated in the local schools. In fact he is even closer to the schools than most, for before the last war he had a crack at teaching, including two years as principal at Great Village—and how do you like that for a vigorous name, Mr. Toynbee!

Incidentally those who have cottoned to Jim Ilsley should get along pretty well with Archibald. The two are not only old law partners but they are very much alike. Back in the thirties the firm of Ilsley and Archibald was known as one of the quietest law firms in Halifax. Both of the senior partners had that reserved air which Ilsley has since made pretty well known throughout Canada.

Before reaching the Bench Judge Archibald was prominent in Liberal party affairs. He was an unsuccessful candidate in both provincial and federal elections, and is a former president of the Provincial Liberal Association. Recently he has headed a number of inquiries and conciliation boards dealing with labor disputes, with a success that is attested to by his bid from Ottawa.

Halifax's Portia White

Nova Scotia has no son or daughter of whom it is more proud at the moment than Portia White, Halifax's very gifted contralto. Recently Miss White reached the peak of her career so far when under the auspices of the Metropolitan Opera Company she gave a concert in New York's Town Hall, the first Canadian woman to be invited to the Hall.

Everyone in the East was thrilled at the reception she received. Critics of the *Times*, the *Herald Tribune* and the other major New York dailies were agreed that Miss White has a wonderfully rich natural voice which with further development should carry her to the top.

This praise has been well and hardly earned. The daughter of a Baptist minister, the late Rev. W. A. White, who was esteemed in Halifax as a leader in the colored community, Miss White has had to work very hard for every forward step in her life.

She was born with a love of music and had the advantage of a musical family,—at one time the choir in her father's church consisted of the White family—but she had to go to work at seventeen to pay for her voice training. Her first job was as school-teacher in a village eighteen miles from Halifax, for which she received thirty-five dollars a month. To get her weekly lesson she had to walk three miles to the station and take the train to Halifax.

Her career really started with the Community Music Festivals, where her talent was first recognized, and culminated when an exceptional teacher of voice, Dr. Ernesto Vince, came to the Halifax Conservatory of Music. He recognized Miss White's great potentialities and took her under his wing.

From then her career was a slow climb to success, with local appearances, invitations to Toronto and finally the New York concert.

Now a South American tour is next on her schedule.

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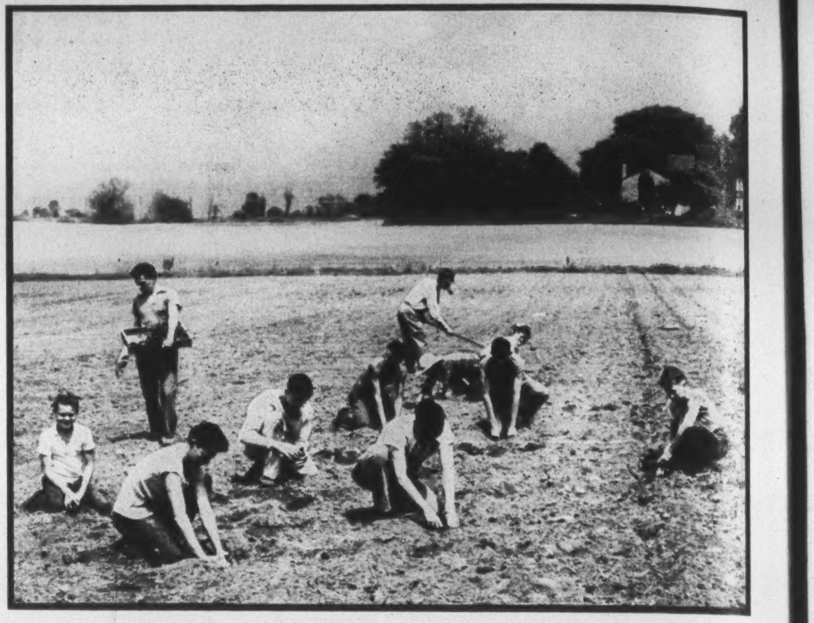

Members of an international service club leased a suburban acreage last summer and enlisted the interest and cooperation of a group of 'teen age boys in a Victory garden project that was conspicuously successful.

WARTIME GARDENS

Flowers Can Build Up Morale, Vegetables Build Health

By COLLIER STEVENSON

THERE'S still a place for flowers in every garden, still a need for all their spirit-lifting gaiety and beauty: but, in this fifth year of war, there's an even greater need for the vitamins and minerals of home-grown vegetables to help maintain family health and efficiency at high pitch despite the worries and upsets incidental to these troubled times. True enough, health-giving properties by no means are inherent only in the home-grown vegetable. Commercial growers, however, are beset with labor shortages and transportation difficulties that frequently cause delays in their products being marketed; whereas the garden-grown vegetable reaches the home table promptly, still flavorful and tender, rich in content, appreciably more appetizing. That alone should be a big inducement to every home-owner to have a Victory garden this year.

But there is an even more important side to Victory gardens. It is estimated that in the United States last year Victory gardens produced almost one-half of all the vegetables grown for fresh consumption, and it can be assumed that, taking into consideration the different climatic conditions, Canada's record would compare very favorably. Commendable though that ratio between home- and commercially-grown vegetables is, it gives pause for thought. Suppose that a lot of last year's Victory gardeners were to relax this year, decide to let others shoulder the load. Conceivably, that might mean the difference between plenty and scarcity in our national vegetable supply.

Victory Gardens Important

Actually, Victory gardens have become an important element in our war economy, as they release man power, relieve transportation facilities and reduce the demand for containers. It should be apparent then that what Canada did well in Victory gardens last year, she must do better this year, increase both the area and number of gardens. And, in this ambitious undertaking, everyone can have a share in some way or other.

The average home-owner, for instance, whose garden is well-drained and sun-flooded for most of the daylight hours has no serious problem beyond whatever limitations of space there may be. And, even should sufficient space be lacking in a home garden, there often will be vacant building lots or otherwise unused land available in the neighborhood—sometimes for the mere asking! Apartment-dwellers, too, can have a share in Victory gardening, whether as individuals or groups, by getting the use of vacant land. Last year, indeed, some of the notably successful Victory gardens were developed by city people in suburban areas conveniently reached by existing transportation lines; something important in view of today's curtailed supply of gasoline.

One good point about Victory gardens is that their success is not dependent on the previous experience of the gardener. Amateurs—literally in thousands all over Canada—spaded, planted, tended, harvested Victory gardens last year for the first time in their lives: enjoyed the fresh air and exercise, ate vegetables with more gusto than ever before and ran up a considerable profit in dollars and cents by the season's end: in short, did a thoroughly successful job. What they did last year any other amateurs can do this year—and, with patience and persistence, possibly do better!

Organization

Not only individuals, but schools, clubs, churches, whole communities might well enter enthusiastically into this year's most important garden undertaking, growing vegetables. In any project involving co-operative effort, of course, some sort of "steering committee" would be necessary. Thus, on such a committee calling for executive ability, even those who by reason of occupation, time or physical handicap may be debarred from active participation in gardening, could contribute something of real value; perhaps in organizing the activities and maintaining interest, purchasing supplies, keeping records or other essential detail work.

As an excellent example of collective effort in one city last year a group of men, members of an international service club, secured a small acreage of arable land on the city's fringe, and, with the energetic help of neighborhood 'teen age boys, developed it into what turned out to be a notably productive Victory garden. The implication of such a record of co-operation, however, goes far deeper than the obvious matter of vital food production, important as that is; for it suggests one very practical means whereby men interested heart and soul in the future welfare of Canada might help to stem the rising tide of juvenile delinquency, which so frequently can be traced to lack of adult interest, comradeship and supervision. By appealing to a boy's innate love of the outdoors and to whatever patriotic instincts he may have, who knows but that it may be possible to implement the Victory gardens of today with long-range benefits in the years to come?

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THE BOOKSHELF

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Black and White in the South Theme of a Strong Novel

STRANGE FRUIT, a novel, by Lillian Smith. (McClelland & Stewart, $3.00.)

"ANYONE hurt?" asked some one of Huck Finn.

"No ma'am. Killed a nigger."

In these five words Mark Twain summed up the problem of the Southern States; the denial of normal humanity to the negro; the insane dominance of dull-witted whites who for the most part are impervious to a new idea.

People of good-will, white and black, have striven for years to find a solution. The University of North Carolina and other Colleges in the South have labored and have not fainted, but mostly in vain. Now comes a native Georgian of knowledge, sympathy and shining ability, resolutely unveiling the facts, grim as they are.

She takes the fictional town of Maxwell, Georgia, hot, sandy, dull as a ditch, and fills it with inhabitants who symbolize all classes of the South, from black men of the chain gang to the Andersons, a negro family with aspirations; from the poor-whites in town and country adjacent, to Dr. Deen, the Stephensons, Tom Harris and the other "quality."

She shows the net of frustration enclosing even Sam the negro physician, who won't drive his old automobile past a "cracker" cabin because the whites don't like to see a nigger in his own car. Sam never has been called "Mister," let alone "Doctor," but he has schooled himself to stay calm. Others, like Bess Anderson and her brother Ed, writhe in rage at the injustice and the terror about them.

Dr. Deen's son, Tracy, is an idle ne'er-do-well, though pleasant and attractive. He falls in love with Nonnie Anderson, and she with him, until she is pregnant and proud to be bearing his child. Then under the driving of his unhuman mother and of a sawdust-trail evangelist, he "makes a new start," joins the church and engages himself to marry a "suitable" white girl. He pays a negro to marry Nonnie and in the course of his final brutal and drunken interview with her he is shot and killed by her brother.

Inevitable Tragedy

Then in a surge of white hatred a negro is caught and burned to death in the baseball park. And it's the wrong man! But few of the whites worry, once the thing is done. The town sinks back to its accustomed dullness. The evangelist has no denunciation for the crime. The Editor takes the easy road, lest things be stirred up, and the negroes sink to the dust, properly subdued.

It's a tale crawling with horror, even in the description of a religious "awakening" to the fact of an angry White God and of a simmering hell where people who don't go to church and people who outrage Southern sensibilities will boil forever. Such a "revival" as pictured by the author is a blasphemous debauch.

(In contrast, one remembers the American flying-man, wounded after a crash in the jungle, and treated so tenderly by the Papuan headhunters who found him that he said to the officer who found him, "It makes you think that maybe Jesus Christ was black.")

The story is told mainly in the "stream of consciousness" method. The characters are built-up in that way with such extreme competence that the lack of "action" is overlooked. The sequences of mental association are logical and compelling, while, breaking-in from time to time are vividly remembered sentences which have a bearing, either actual or ironical, on the situation.

The treatment is "realist" to the last limit. The author goes out of her way to be "improper," and even bawdy. All the four-letter words banned from polite society are here, and, at the last, cease to be shocking and become only a bore. It is a curious fact that all barbarians wear a loin-cloth. Only the extremely "civilized" of nowadays take a pride in nakedness, pretending that it's artistic when usually it is only cheap. Miss Smith even follows her damnable evangelist behind a clump of palmettoes to watch him irrigating the roots, and to hear his "inspirational" talk during the operation.

Yet in other respects the author knows the power of reticence and pointedly neglects opportunities to describe horror. The lynching-scene, for example, is made more terrible by silence. Only the oily smoke and the smell which corrupts miles of atmosphere are mentioned. For that reason the novel is powerful, despite its lapses. The most savage characterization is that of the highly proper and religious woman who dominates husband and children until all their native graces are stifled and made of no effect in their lives.

The weakest of the characters is the heroine, Nonnie, a colored dream-girl, inactive, silent, and unmoved by events and conditions which drive her more fleshly sister frantic. To believe in Nonnie is a strain for at least one reader.

Much will be said of the courage of Miss Smith in photographing the South as it is, and of the graces and range of her talent as observer and writer. But it will be said mainly in Colleges and literary circles. The town of "Maxwell" probably will not hear of her, and if it does, will dismiss her with a wave of the hand.

After reading this novel the obvious question is What price Atlantic Charter?

All books mentioned in this issue, if not available at your bookseller's, may be purchased by postal or money order to "Saturday Night Book Service", 73 Richmond Street W., Toronto.

A Terrible Indictment

EUROPE'S CHILDREN, by Thérèse Bonney. (Quarto, Collins, $3.75.)

THE thunders of silence roar out of this collection of photographs. There is no text, other than a brief legend of explanation with each picture. But the message to men and women of all peoples is one of limitless denunciation of war, of the abandoned fools who make it a branch of politics.

Each photograph is a drama, tense and terrible. The whole collection is a warning of the greatest problem the world will face when the guns fall silent; not only of the young of this generation, but of the probable barbarianism of the next.

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WORLD OF WOMEN

Strange Tales that Travel Up and Down the Grapevine

By BERNICE COFFEY

STORIES of efficiency of the "grapevine" telegraph in jungle and desert never fail to impress, but it seems to work with equal speed and efficiency in more civilized countries. How otherwise are we to account for the word-of-mouth dissemination of certain stories which, recounted as straight fact, bob up again and again?

Today we read a newspaper account of a party supposed to have taken place in our town. It had a familiar ring, for we had heard it from at least three persons—all of whom swore it happened to friends of friends of theirs. They couldn't name names, however, but then neither did the newspaper.

Here is the story.

The hostess had prepared salmon sandwiches for her guests. When she went out into the kitchen, she found her cat storing away some of the salmon. After shooing the animal away, she and her guests ate the sandwiches. Later she went to the door and there—stiff as an after-dinner speaker's boiled shirt—rested the remains of poor pussy. Obviously the salmon had been poisonous because almost immediately the hostess and her friends were violently ill. An S.O.S. went out for a doctor who came and did the unpleasant things doctors do for those whose inners are harboring Poison.

Then the door-bell rang and the kindly neighbor across the street arrived with the information that pussy had been run over by a car. Not want- to ruin the party, she had deposited the body on the doorstep.

Another story that is an aged favorite is that of the rather stout maiden lady who called a taxi, and told the driver she wanted to be taken to "Such-and Such Hospital—in a hurry." The driver takes one look at her and drives like mad, ignoring traffic signals and even picking up a motorcycle escort of police. On arrival at the emergency entrance the terrified passenger is dumped on a stretcher and carried off by the attendants. Battered and bruised, she finally succeeds in convincing them that she is not an urgent maternity case.

From at least four sources have we heard the tale of the fortune teller who reads the palms of a group of women. But she is strangely reluctant to tell the future of Mrs. Smith, and only after much persuasion does she reluctantly write something on a slip of paper. The paper is put in a sealed envelope and given to Mrs. Smith. The friends leave. No sooner are they out in the street than the unfortunate Mrs. S. is bumped off by a truck. When the envelope is opened the paper inside says "You have no future."

Prospects for Brides

These days the kid with the bow and arrow is marking up a new record that will stand for a long time to come. War and government regulations have trimmed weddings here and there, but essentially they are as decorative as ever. Brides continue to wear the white or cream colored dresses hallowed by tradition—the only women in the country legally entitled to wear long dresses of new vintage.

The ring that goes on "that" finger is more likely than not to be a gold one, and the young man who wants to buy one will not have any difficulty in purchasing it. And, too, there is to be a wider variety of patterns in gold rings. A recent Board order increased the number of patterns by forty per cent. She shall wear pearls, too, and they need not be of the heirloom variety, either. We hear that a large shipment of "pearl" beads arrived recently from Spain and they are being produced in Canada also.

Her friends can do almost as handsomely by the bride as they did in the past. Fine china in surprisingly large quantities is arriving here from England and more linen, bedding and towelling supplies are being made available.

When she begins housekeeping she will be able to have a gas stove, and perhaps a toaster. Nor will it be necessary for her to restrict her spouse to a steady diet of stews because of a lack of kitchen utensils. There is now an adequate stock of enamelware on the market, and soon we shall be bedazzled by some spun aluminum which is due to make its appearance.

The Board Groaned

From a book printed in London in 1660, its pages a rich sepia brown from the passage of centuries, we read of what it must have meant to the housewife when trenchermen sat down to a board that, literally, groaned. For this is what it says under the heading "Skill in Ordering Feasts."

"Now for a more humble Feast, or an ordinary proportion which any good man may keep in his Family; for the entertainment of his true and worthy friends, it must hold limitation with his provision, and the season of the year; For Summer affords what Winter wants, and Winter is Master of that, which Summer can but with difficulty have; it is good then for him that intends to Feast, to set down the full number of his full dishes, that is, dishes of meat that are of substance, and not empty, or for shew; and of these sixteen is a good proportion for one course unto one messe, as thus, for example; First, a shield of Brawn with mustard, secondly, a boyld Capon, Thirdly, a boyld picee of Beef, Fourthly, a chine of Beef rosted, Fifthly, a Neats tongue rosted, Sixthly, a Pigge rosted, Seventhly, Chewets bak'd, Eighthly, a Goose rosted, Ninthly, a Swan rosted, Tenthly, a Turkey rosted, the Eleventh, a haunch of Venixon rosted, the Twelfth, a Patty of Venison, the Thirteenth, a Kid with a pudding in the belly, the Fourteenth, an Olive-pye, the Fifteenth, a couple of Capons, the Sixteenth, a Custard or Dousets. Now to these full dishes may be added Sallets, Fricases, Quelquechoses, and devised paste, as many dishes more which make the full service no less than two and thirty dishes, which is as much as can conveniently stand on one Table, and in one mess; and after this manner you may proportion both your second and third course, holding fulness in one half of the dishes, and shew in the other, which will be both frugall, in the spender, contentment to the guest, and much pleasure and delight to the beholders. And thus much touching the ordering of great feasts, and ordinary contentments."

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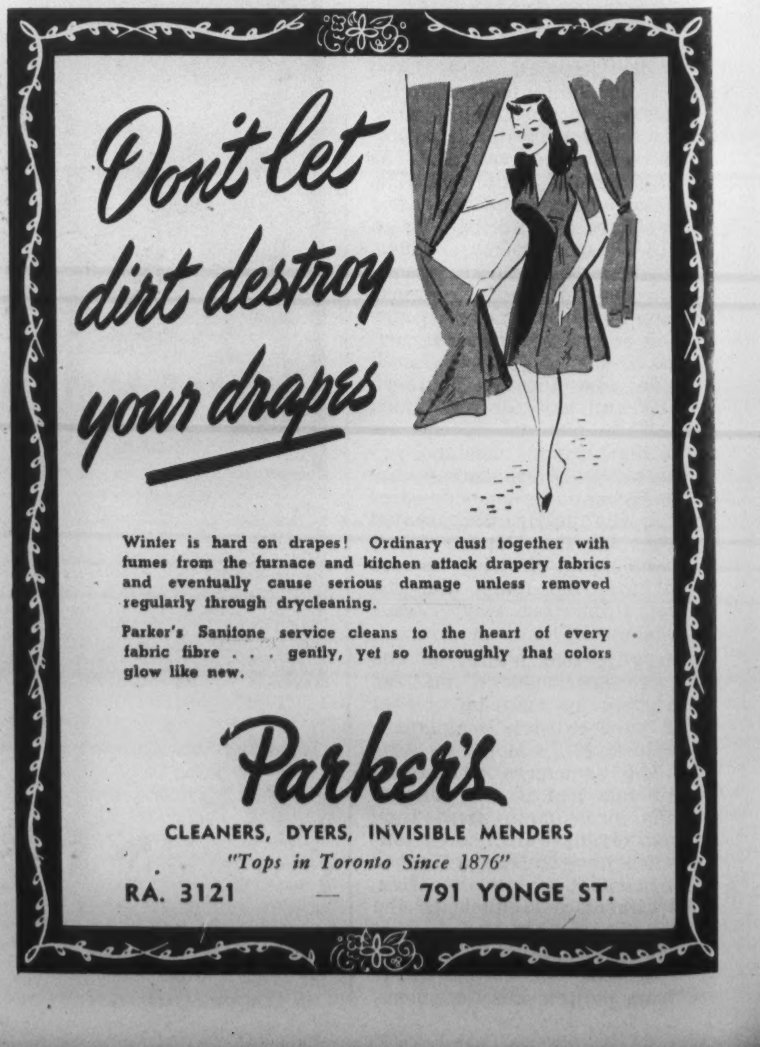
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We've Been Waiting for You Canada

By WREN GEORGINA MURRAY

In normal times they would have been stenographers, debutantes, clerks, students, housewives, these Wrens who wear navy blue. Many of them have never before been outside Canada, but now their duties take them far afield. Young, alive in every fibre, new impressions are accepted in the sharp, clear focus of the youthful mind. As they serve they are finding new and broader viewpoints, perhaps new wisdom. When they return to civil life they will bring with them a wider vision that should serve them and their country well in the uncharted paths of the future.

THE third contingent of Canadian Wrens to London arrived recently in a blackout. Still acquiring their land legs, and listing heavily to starboard with iron rations, tin hats, and respirators all slung over one shoulder, they helped push their luggage into vans, piled in themselves and were whisked along to London's West End, and their new home.

As the huge Navy lorry tore along through Picadilly, up by Marble Arch, and along Bayswater, the last whispers of conversation ceased. Twenty eight little Canadian girls thought they had seen everything.

Since early in February, their last thoughts at night, and their first in the morning had concerned this moment. Halifax whose streets go down to the sea had been a fitting and flavorsome prelude to embarkation. The teeming thousands in Navy blue. The cobbled streets, the waterfront restaurants, the uniforms of Greece, Free France, Norway and Russia.

And then the ship. A ship with the population of a city. Stern and cold and mechanized without; inside warm and easy with the fellowship that envelopes people when their thoughts are one.

A Deck, Cabins 16 and 20. "Women's Quarters . . . move along, no loitering", the guard's voice a hundred times a day, a hundred times a night.

"We are now at sea. Ship's personnel will wear life belts at all times. This is an order. That is all."

The dull but deafening voice of the public address system, warning, advising, commanding. . .

"Attention all officers, fourth sitting in the Officers'. . . Will Brigadier—of the U.S. Army please. . . Blackout is now in progress. . . Here is the day's news. . ."

Eighteen to A Cabin

The Cabin. A-20. "Hurry up, girls . . . bunks made up before prayers. . ." Eighteen to a cabin . . . 18 life belts . . . one mirror . . . thirty-six lips . . . thirty-six eyes, thirty-six cheeks . . . seventy bags . . . suitcases . . . cigarettes, cookies, collars, chocolate bars, shoes, aspirin, bobby pins, magazines . . . hurry up, hurry up, hurry up. . . "Eternal Lord God who alone spreadeth out the Heavens and covers the water, be pleased . . . Give us this day our daily. . ."

Bread. Bread and salt. Bread and butter. "Good monin', young lydies . . . sole . . . nice fillets this monin', young lydies. Or shall it be macaroni with sausage? Not seasick I 'ope. Loovely macaroni, this. 'Ave some sauce with it, there's the girl. Wot's this, are ya leavin' oos? Well, 'ere look, don't be leavin' yer wings about or ye'll get proper wot for. Fine sailors *you* are . . . an 'er like a bloomin' millpond this monin' I do swear."

RARE INDEED

I USED to like my T-bones rare,
Charcoal-broiled slices of cow,
Tender, succulent and rare—
And they're rarer than ever now!

MAY RICHSTONE

Then land. The sundeck. And sun. Green hillsides, lush and pastoral, like Ontario . . . green fields like spring in the Cariboo . . . no, like the Eastern townships in April . . . no, like Kentucky, by gad, in about six weeks' time. . .

"Who d'ja say left here two hundred years ago?"

"I said my great-great-grandfather did."

"Are you kiddin'? Wonder why he left?"

"Looking at this country, I guess you'd wonder, eh?"

And Glasgow. White Horse Distillers. . . John Duncan, Importers. . . William Teacher and Sons, Fine Scotch Whiskey. . . WRENS, ATS, WAAFS. American sailors . . . accents like home . . . a Scottish pygmalion with violets and daffodils . . . fish and chips in a tea house . . . old women in plaidies . . . a tall silk hat . . . how many shillings in a half crown . . . "My gosh, look! A monocle. . . "Oops, sorry". . . left handed traffic even in escalators.

"This way, Wrens . . . you're in the Navy now. Every Wren responsible for her own trunks and luggage. This way . . . this way . . . by please . . . min' yoursel' . . . min' yoursel' . . . min' yoursel' . . . it's down at the end . . . aft, d'ye hear wha ah'm sayin' ta ye . . . aft, ya canna mees it . . . it says resarved fer Canadian Wrens . . . resarved fer Canadian Wrens . . . aye, doon there."

Reserved for Canadian Wrens. Clickety click. Clickety click. Sharkity, sharkity, sharkity, click, clickety click, clickety click . . . what was that? . . bridges sound different at home . . . orange peel, biscuits, cigarettes, chocolate. . .

Reserved for Wrens

"What station was that?"

"Search me, all I saw was a sign saying Gentlemen in capital letters."

"That was Preston, you dope, you're not looking in the right place. . ."

Clickety click, clickety click, clickety click . . . midway between lies the Midlands . . . chief industry manufacturing . . . what do they manufacture, class? . . I know, teacher, linen and cotton, linen and cotton, linen and cotton and wool . . . clickety click, clickety click . . . Night Train to Munich . . . the Lady Vanishes . . . clickety click, clickety click.

And finally, London.

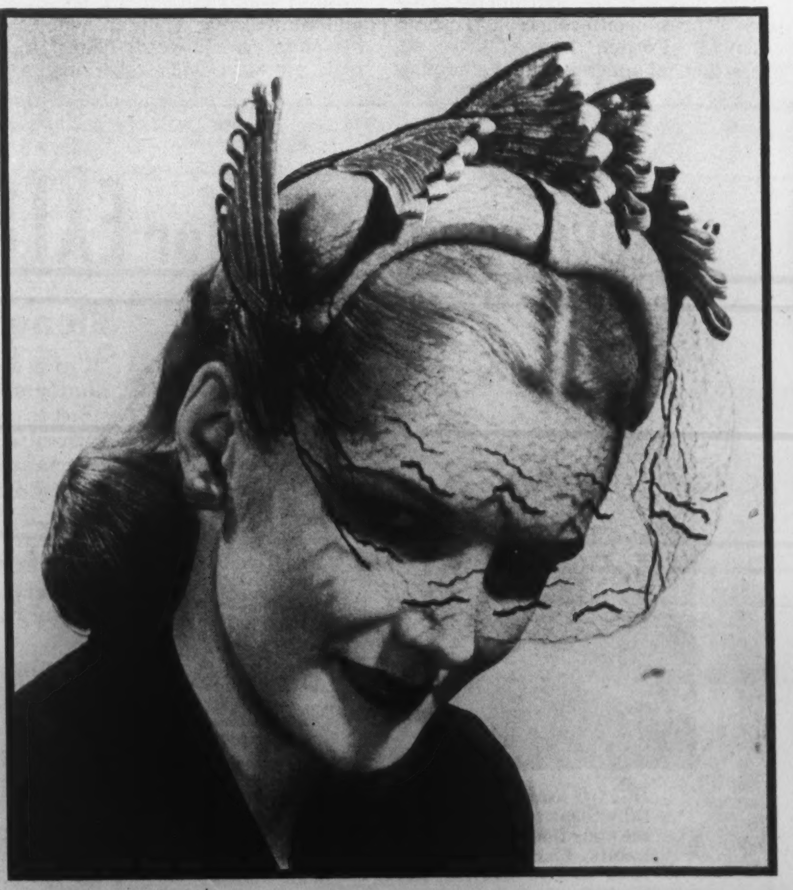
"All proven and correct ma'am, nine and one third files. . ." Black velvet London. . . 10 Haymarket. . . 10 Downing. . . Buckingham Palace. . . Trafalgar Square. . . blitzes . . . undergrounds . . . Hyde Park . . . roast beef . . . no soap . . . no kleenex, no chocolate bars . . . queues . . . fun. . .

"Is this it? Well for petessakes."

"Am I dreaming or did somebody say food."

"Look, girls, an elevator."

"This way, Canada, come with us Canada. We've been waiting for you."



Off with the pompadour and on with the expanse of hair drawn smoothly back from the brow! Hats, such as this by Florence Reichman, aid and abet fashion's latest decree. Straw wings of dusty rose, with looped ends, take off from a felt calot base of rich-toned American Beauty red.

International Romance

FOR ANOTHER WOODBURY DEB

THE FORMER Barbara Noreen Bole, glamorous Montreal debutante, and Ensign Wallace Jordan Farr of the United States Coast Guard... cutting the cake at their wedding reception. Petite, vivacious Barbara gives credit to Woodbury for her good-enough-to-kiss complexion.

1. Entering the church with her father, Barbara's wedding dress of tulle and Chantilly lace sets off the lovely diaphanous complexion she trusts only to Woodbury Facial Soap care.

2. Barbara throws her bouquet, and "goes away" in a blue wool suit, feather calot and blonde fox jacket. Her skin is radiant after a quick last-minute Woodbury Facial Cocktail.

3. "He notices how bright my complexion is after my Woodbury Facial Cocktail. I take a good lathery wash with Woodbury first—then rinse with clear warm water and cold."

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OXO

Recipes

VEGETABLE CASSEROLE
(SERVES 6)

4 OXO Cubes—or 4 tsps. Fluid OXO
2 cups boiling water
1 cup diced potatoes
1 cup diced celery
1 cup green peas
1 cup lima beans or carrots
1 medium onion, chopped
¼ cup rice
1 cup canned tomatoes
1 tsp. salt—⅛ tsp. pepper

Dissolve the OXO Cubes in (or add Fluid OXO to) the boiling water, and combine with raw vegetables and other ingredients. Turn into baking dish, cover and bake in moderate oven for 2 hrs. or until all vegetables are tender.

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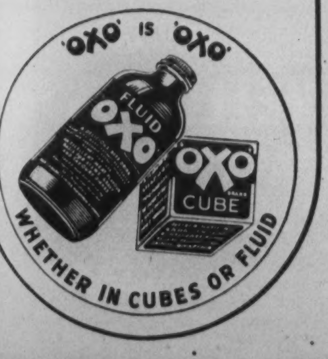
EASY TO MAKE



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MUSICAL EVENTS

New, But Not Too New, Works Played by Parlow Quartet

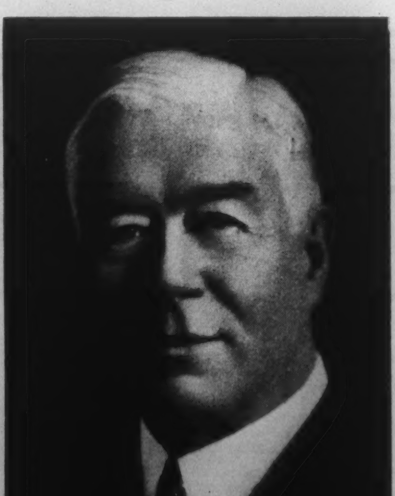
By HECTOR CHARLESWORTH

IT IS the writer's lot to hear a great many concerts as a mere matter of business routine. But there are certain occasions which banish dull care and make duty a pleasure; and among them are the too rare appearances of the Parlow String Quartet. Musical commentators are often asked whether they get a thrill out of their work. The answer is "Sometimes!" and these chamber concerts come within that category. At Eaton Auditorium last week, I felt that I was enjoying myself just as much as though I had paid for my seats, and had no critical obligations.

It is rather tedious to have to set down the old assertion that the ensemble sounded like one instrument; but it is a fact that cannot be overlooked. Then one must, in common honesty, glow a bit over the quality of tone and exquisite minutiae of expression. If the Quartet would play sloppily once in a while, it would give a writer a chance to show that he was a real critic, and evolve a wisecrack and provide the casual reader with his morning smile. But the Parlow Quartet is well-nigh perfect and what is one to do about it? It has a brilliant personnel, one of whom (Kathleen Parlow) the first violin is world-famous, but makes no effort whatever to remind auditors of her status. Her colleagues,— Samuel Hersenhoren, 2nd violin; John Dembick, viola; and Isaac Mamott, 'cello; are all endowed with beautiful tone and enchanting finesse.

Last week one did not even have a chance to "razz" the composers. Probably the widespread revival of interest in chamber music is due to the fact that composers, about fifty years ago began to discover that it was possible to put new wine into old bottles; that the traditional classic set-up of four stringed-instruments did not require the creative musician to put the lid on his individuality, and try to compose in imitation of Haydn or Beethoven. They discovered that a composer with sufficient inspiration could say all sorts of fresh and original things through this limited medium.

The major part of last week's program comprised works which illustrate this discovery; works that have broadened the horizons of string-quartet form. One calls them modern for that very reason, though they were all born in the latter half of the 19th century. Hugo Wolf would now be 84, had he not been cut off with ill health and insanity at the age of 43. The tragedy prevented the completion of the quartet of which his lovely "Italian Serenade" was to have formed a part. It is full of passion and irony, with a strange, stimulating urge. Though he devoted much of his time to his immortal songs, he actually did complete another quartet in D minor and I hope to hear that some day.



The late John P. Patterson, president of Norris-Patterson Ltd., and one of Canada's most popular advertising men, who died at Miami last week.

Then there was Joseph Jongen whose appealing and romantic "Serenade Tendre" was also played. When he died in 1941 at Brussels where he was Director of the Conservatory, he was 68 years old. This particular work was composed while he and other eminent Belgian musicians, were refugees in London, during the last World War. He has many friends on this side of the Atlantic, and there was doubt until recently as to whether he was alive or dead; but it now definitely appears that he did not survive Nazi occupation of his native land more than a year.

For sheer boldness of concept nothing has been composed for the quartet form to surpass "The Bull Fighter's Prayer" (La Oracion del Torrero) by Joaquin Turina, one of the most brilliant of the Spanish national group. If alive he is 62, and perhaps has fled like some of his fellow composers to Latin America. His early association in Paris with Vincent d'Indy, Debussy and Ravel did not prevent his being a most gifted exponent of music of the true Spanish school founded by Felipe Pedrell and Falla.

After hearing the "Prayer", so full of emotion and rising to spiritual harmonies, one could not help thinking that Escamillo of Granada, Carmen's inamorata was a different type from the toreador Turina had in mind. Even without title the piece would still be as beautiful.

The name Dohnanyi always brings back to me a picture of a slender, diffident young pianist, whose style had the gentle beauty of the pianism of Joseffy and Godowsky. Few suspected that the Hungarian youth would become one of the finest of modern composers; especially in the realm of chamber music. The latter fact was obvious when the Parlow ensemble gave his glorious quartet in D flat major. Though classic in feeling it is free in structure, and imbued with beauty and originality from the first bar to the last. Dohnanyi is one of many natives of middle Europe who must find difficulty in realizing what their home town and nationality are. In 1877 he was born in Pozsony, the Pressburg of the Napoleonic wars. Its name was changed again in 1919 to Bratislava. He was born a Hungarian and a citizen of the Austrian Empire.

Lessons in Orchestration

The program of the final Secondary Schools Concert by the Toronto Symphony Orchestra at Massey Hall last week included several works that were not only melodious but in themselves an education in the science of orchestration, ancient and modern. Twenty years ago it was considered fashionable among those who deemed themselves the "Cognoscenti" to disparage Haydn, as though he was a mere primitive with a gift of melody. Anyone who listens carefully to Sir Ernest Macmillan's rendering of the fascinating "Clock" symphony can realize how advanced a technician he was, even, though damned by prigs, because he was a melodist. Two finer modern examples of the orchestral development of charming material could hardly be found than Overture to Humperdinck's "Hansel and Gretel" and Ravel's "Mother Goose Suite". They are entirely different in style; "Hansel and Gretel", the finest distillation of Wagnerism; the Ravel work a modern development of the methods of the French classics, Rameau and Couperin. But the main point is, that both are lovely. Rimsky-Korsakoff's Overture, "Russian Easter" is, despite its glamor, rather ponderous in comparison, but since he felt things through the medium of the theatre, he is a master of color and grandiose dramatic effect.

At this concert the guest artist was the bass-baritone, Eric Tredwell who, in distinction of style, surpasses the average celebrity that comes to us from elsewhere. Nobody could charge him with having a voice like a "wet policeman", a reproach sometimes uttered against British singers. He has stirring quality, personal fire and perfect diction. His technical mastery and mellow intonation gave new life to Handel's "Hear Me, Ye Winds and Waves", and it was amazing to find such freshness in an old stalking horse like the "Toreador Song" from "Carmen".

Mr. Thomas's Versatility

Time was when Welshmen by birth or origin held a significant place in the concert field of America; artists of rare quality like Edward Lloyd, Frangcon Davies, Ben Davies, Evan Williams and Gwyllym Miles; singers, once heard, never forgotten. Of late Welsh visitors have been infrequent but the young baritone, Thomas L. Thomas has so fine a voice, and is so versatile an artist as to be almost a host in himself. With a very fine accompanist, Jacob Hannemann, he covered nearly every field of song at his recital in Eaton Auditorium.

As an interpreter he has a sanguine vitality, that is unique. His dramatic gift is so instinctive that nearly every song he sings is a direct personal utterance; but the actual personality is ever changing. He was definitely Satanic in one of Mephisto's solos from Berlioz' "Damnation of Faust"; an emphatic, ironical Irishman in "Kitty O'Toole"; a genuine yokel in the English folk, "Because I were shy"; a lusty Italian youth gifted with unlimited breath and tone in Rossini's "La Danza"; a magnetic, unctuous negro in "Jericho"; and so on through the list. Naturally his Welsh songs in the vernacular were the most vivid. I have heard Welsh songs before, that did not live, except for those who understood the language; but Mr. Thomas whether in the guise of a goatherd, or an ancient bard singing his last words to his loved ones, was amazingly graphic. The beauty of his art is never marred by over-emphasis; characterization with him is a subtle effluence.

OF ALL THINGS

On Ambassador's Pants and the Upset State of Yugoslavia

RECENTLY *Time* magazine carried what was to us interesting information. In its international news section dealing with Yugoslavia and the resignation of Ambassador Simich in Moscow, *Time* quoted Mr. Simich as observing that the Yugoslav Ambassador to the United States, Constantin Fotitch, was a very disturbing element in the Yugoslav wood pile. Specifically, Mr. Simich said that Mr. Fotitch was a cousin of quisling Milan Nedich, and that he controlled Yugoslav gold in the United States and, through it, all Yugoslav cabinets.

In the line of professional duty we had, as it happened, come across the Yugoslav Ambassador to the United States, and this intelligence of *Time's* was alarming. We had never suspected that Mr. Fotitch was such a base fellow.

The occasion of our meeting was a press conference in Toronto when Mr. Fotitch dropped in to address a local luncheon, and undoubtedly, as we see now though we didn't suspect it at the time, to also check up on the Canadian gold market.

The Ambassador at the time struck us as being a very nice type of diplomat, not Groton-y like the Americans or Eton-y like the English but more good old Yugoslav grammar school. We were particularly impressed with his pants which were a medium shade of brown and matched his jacket, quite a cheerful change from the variations in grey with black jacket which one automatically expects with diplomats, particularly ambassadors. Also, we remember wondering at the time if Mr. Fotitch had often appeared in knee breeches, as, being quite paunchy, he must have cut quite a curious if homey figure.

The conversation at the conference centred round Yugoslav affairs, as well as you can centre on anything so two-sided as Yugoslavia at the moment, and in our innocence it seemed that the Ambassador was singularly straightforward and looked on the affairs in his country with much more balance than the extremists on this side of the water. Of course if it had been known at the time that Mr. Fotitch was sitting on a pot of gold and didn't give a damn which way his countrymen went, being in control anyway, our reactions might have been different.

Most effective at the conference was a bottle of good Canadian rye, the very best. As it was Toronto, and ten in the morning, and the Ambassador had only arrived a short time before, this undoubtedly left on the guests a greater impression of Mr. Fotitch's diplomatic ability than

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any pronunciamentos he might have produced. The Americans at a similar show a short time before, and with practically the same guests, had only been able to produce cigars and apologies.

Personally ever since the conference we probably have had a closer feeling than most for the Ambassador because as we were leaving he rode down in the elevator with us, and on the way down he announced that he was going to get a hair-cut. Somehow it had never struck us that ambassadors got hair-cuts, or at least not in such plebeian places as hotel barber-shops. It had always seemed more likely that one brought the barber-shop to the ambassador. Walking along a corridor and discussing hair-cuts and directions on locating tonsorial attention, we discovered, makes one feel close to a man.

Now, however, it is our great regret that we didn't let our curiosity take us back to the barber-shop to find out how much Yugoslav gold is considered a good ambassadorial tip.

Blissful St. Pierre

Many of us who sailed down the St. Lawrence to Newfoundland before the war remember, with fond regret that those days are over for the present at least, dropping in at St. Pierre and indulging in sundry champagnes and other of this world's nectars at prices so low as to make one contemplate a life of debauchery on this barren isle. The ridiculously low prices, which found cigarettes selling for seventy-five cents a carton and other little luxuries at prices equally out of this merchandising world, were of course brought about by an almost complete absence of customs tax.

This state of affairs still carries on. In all of this world of war St. Pierre seems to be one of the places least touched. A recent visitor to the Island has let it be known that war or no war it remains a bit of paradise on a rock. There's not so much bubbly around, travel to France being a little difficult today, but everybody is fat, well and healthy and everything is as cheap as ever. Canada and the United States have been shipping in food and ration coupons are unknown; and no one yet, it seems, has heard about taxation. On this early day of April with only a comparatively few days of grace remaining what a blissful spot that seems, so far away from Mr. Ilsley.

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THE FILM PARADE

The Moving Picture Industry After Fifty Years of Life

By MARY LOWREY ROSS

IT IS just fifty years ago this April since the first moving picture show opened for trade on Broadway at 27th Street. In half-a-century the industry has advanced from a peep-show at five cents a peep to cinema art at two dollars a loge seat. The screen is the Horatio Alger of the arts and when one considers the shortness of its life history it becomes sheerly incredible that after a scant fifty years of experiment the movies should be as good as they are.

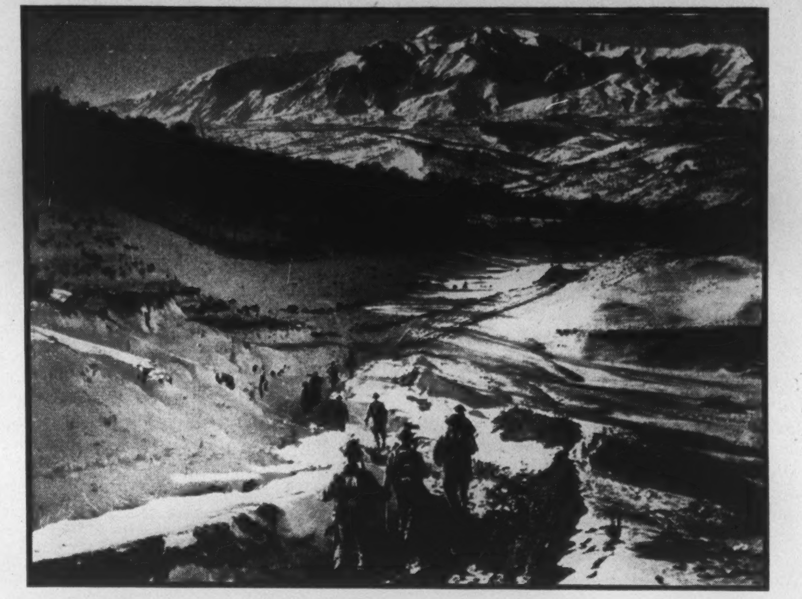
This, as Mr. Deems Taylor reminds us, in *A Pictorial History of the Movies* (Musson, $3.25) is something to remember when we criticize the screen for being no better than it should be. If the movies still seem rather childish and immature it is simply because they are, as an art, childishly young. To be sure they have had every opportunity to grow prodigiously, for the screen is an industrial art that was bound to flourish in an industrial period. Even so it has had a rough time coming up, subject as it has always been to all sorts of contradictory pressures and influences. Almost from the start it has had more spending money than it could use and this has meant that it has had at its disposal the finest technical ingenuity of a highly technical race. It has also meant that it has frequently spent money with the high promiscuous abandon of a Western reserve Indian who has struck oil in his backyard. Indeed practically every advantage that the screen has enjoyed from its kinematoscope stage onward has brought its corresponding disadvantage. It has been subject constantly to a rigid moral scrutiny which has prevented it from lapsing into offensiveness and pornography, and at the same time kept it from an honest recognition of human behavior on anything but a single highly-simplified level. It has developed an extraordinary sensitivity to popular taste and while this has made it a genuine art of the people it has also meant the inclusion of a great deal of mass insensitiveness and prejudice. Above all its obsession with technical perfection has misled it into thinking that the *way* a picture is presented is more important than the idea it may contain—or, in some cases, the idea that got left out completely.

Spoiled and Snubbed

It would be absurd to expect the movies to develop consistently when so many contradictory influences have been at work on them from the start. They have been alternately spoiled and snubbed, officiously guarded by one set of sponsors and allowed to run wild by another, with all the pocket money in the world at their disposal. That sort of early training doesn't make for well-balanced behavior in either an individual or an art; in fact it usually leads to violence, exhibitionism and bad manners. . . Well, there are still plenty of pictures marked by all these disagreeable characteristics, but they no longer exclude films of such sustained maturity as the recent "Madame Curie". To be sure Hollywood still keeps its fingers crossed when it ventures on such adult exercises. But the fact that it does venture on them is a sign that in a bare fifty years the movies have grown up

Ghost At Large

Even the horror story has reached a new level of maturity. Horror films in the past have tended to be mere bogey shows, largely because the screen has so many scare-properties at its disposal and can't resist using them—sliding panels, livid dough masks, eerie sound equipment and any amount of dry ice to create ominous floating vapors. "The Uninvited", an unusually good ghost story, dispenses with all these horror-properties and goes to work on the sound theory that what you can't see, but only imagine, is likely to be a good deal more terrifying than any horror that is solidly presented. This is the story of a brother and sister (Ray Milland and Ruth Hussey) who buy an old house on the English Coast and soon discover that they have acquired along with it a Presence that lowers room temperatures, wilts flowers, spreads an odor of mimosa, and drives dogs and cats crazy with fright. Although "The Uninvited" borrows rather heavily from "Rebecca" it is quite a hair-raiser in its own right. There is a lively melodramatic finish which doesn't however quite cover up the story's inconclusiveness. It didn't seem likely that so grim a spook could be laid by a fancy plot-solution; but I suppose the picture had to end somehow.



Tourist agencies after this war will have a real job on their hands trying to sell "sunny Italy" to Canadians who have experienced all the rigors of northern winters in fighting in central Italy. Beautiful as they appear here, those snow-covered slopes make tough going for troops.

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CONCERNING FOOD

Let Cookery Become an Art and Everyone Will be Happier

By JANET MARCH

JUST why the words "post-war planning" have raised in many minds the most Utopian ideas of a brave new world is hard to say. The members of the Government's reconstruction committees have not been able, in the reports already presented to pull many snow white bunnies from their top hats. In fact the post-war world as painted by them looks singularly like the pre-war world, and we had better all get to work if we want a real job done.

A brief resumé of the report of Mrs. R. F. McWilliams of Winnipeg, Chairman of the sub-committee on post-war problems of women shows that this committee is pinning a good deal of its faith for the continued employment of women on "domestic service". That women may be painlessly deprived of their lathes and given skillets instead, the committee suggests for one thing the abandonment of the phrase "domestic service"—possibly for "household work" — more uniform standards, better hours of work, training establishments so that the employee will have something concrete to offer, and the employer something to go by beside those often misleading references.

This is all so obviously necessary to anyone who has had first hand experience with employing or working at domestic service that it is rather like reading a book you already nearly know by heart. Let's hope training establishments are being planned right now.

Perhaps the way to move large numbers of women from industry to homes is for some sort of employer guarantee of hours and wages. Just now would - be employers have learned the value of part time help in the house, and women who were pretty dictatorial in the old days with their maids, accept the half day of a char-woman with gratitude. There is more to it though than just hours and wages. There is no finer or more skilled job in the world than running a house smoothly. You have a pretty combination of hand and brain work if you do the job well. There is too, great variety of occupation, and you see the results of your work before you which can't be possible when doing a small mechanical job thousands of times a day.

We can't all turn into *cordon bleus* but a little more glorification of the art of cookery wouldn't be a bad idea. There's a sort of North American theory that it's time wasting to fool with food, so we grill a chop and buy some potato salad and a pie at the delicatessen and call it a meal.

Burgundian Cook

Phineas Beck of "Gourmet Magazine has recently published a book called "Clementine in the Kitchen" which tells the story of the transplanting of a French cook, a true Burgundian *cordon bleu,* from a provincial French town to New England. It is an entertaining book and the illustrations by Samuel Chamberlain (who turns out to be one and the same as Phineas Beck) are most pleasant to look at. The Becks liked good food and certainly got it from Clementine, and they appreciated the importance of good and artful cookery. They were an American family in France, permanently, so they thought, to represent an American firm.

The events of 1939 and '40 changed all that and they were recalled to their native heath leaving behind their house with its wine cellar, and courtyard in the small French town, and most of their valued possessions.

One which they prized above all other, namely their cook, they persuaded to come with them, and the tale of her introduction to electric mixers, super self-serve markets and an unyielding New England butcher who would not cut up meat according to her French directions make quite a story. Clementine served the Becks New England food cooked with French art and they lived on the fat of the land envied by all till a French-Canadian house painter captured the *cordon bleu* as his wife.

Before Clementine left to take up married life she gave the Beck family the run of her cook books. She had kept a record of the daily menus she had prepared since coming to America, and the back of this entertaining book holds a hundred odd recipes which read delectably. It is true some of them take a good deal of butter and heavy cream and a wide variety of wines, but then really fine cookery always needs these ingredients.

The publisher of this book is Hastings House, New York, in case you wish to bring French artistry and North American materials together. Don't think you can begin to imitate Clementine without casseroles of every size—they were her favorite cooking dishes.

Cream and Snails

In spite of the rather large quantities of cream and butter Clementine had a fine French sense of economy. She deplored the American method of cooking vegetables in a lot of water and throwing away most of the vitamins and the flavor with the water. She gathered snails in the garden and cooked them to the king's taste, and she came back from her half day on her bicycle with a collection of mussels from the New England rocks.

Packaged ready mixes and the wide variety of canned things, such as straw potatoes, perplexed the artist in flavorings. The language difficulty made things more mystifying, so that she was seen pondering over a can with a collie's head on it obviously wondering if it was canned dog.

The thing which sticks out from the pages of this book is that Clementine enjoyed cooking and marketing tremendously. She went at it with an enthusiastic gusto which if it could be passed on to others would go far to solve our domestic service problems.

Let us hope that the men and women who are devising our reconstruction plans can evolve some form of training establishment where some at least of the turbanned and slacked war workers of today may go and learn that cookery and household management are two of the finest arts in the world. Can't we invent a Canadian counterpart for the internationally known French *cordon bleu?*

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A War Guest Speaks to the War Bride

By ANNE SANDERS

A new land, new ways of life, are faced by the wife of the Canadian who has found his bride in another country. A British war guest offers her words of counsel.

POLITICIANS, statesmen, preachers all talk about the building of a new world. Not a day passes without someone in the papers or on the radio holding forth on a different world, a better world, a world free from class prejudice, untainted by nationalism. How much of it is still mere words! Here at hand is our chance, our great opportunity, not just to speak of these things in the abstract but to try and translate them into concrete facts. In our every day life in our dealings with our fellows, in our ability to bring what is best in England and to learn from all that is good in Canada, we as war guests and war brides, can make something fine out of this new citizenship of ours and we can actually begin to build this new world.

Inevitably together with the strain and horror of war there is linked a certain false glamor and emotionalism. Let us face things squarely. When you arrive your position as war bride will give you a certain romantic appeal, but that appeal will not last. Glamor is bound to fade and in the long run it is the cold facts of reality which count. And anyhow, surely as soon as possible we want to cast off these things and to stand on our own merits.

I speak of something which we, as war guests, experienced, and which is quite inevitable in time of war and strain. Looking back to the Spring of 1940, we can well remember in England how the fall of France struck terror into the hearts of many fathers and mothers as they learnt of the horrors overtaking the children in France, Holland and Belgium, and how they realized that any day the same fate might befall their children. Perhaps very few of us saw quite straight in those days.

Safety for the Children

I remember seeing men in the Forces, trying with feverish haste to get their children out of England to the safety of the Dominions. Those who felt the urgency of it especially, were those who themselves had witnessed what Nazi conquest meant to the civilian population. Parents hurriedly arranged to send their children away for an indefinite period, without perhaps in all cases, sufficiently counting the cost. And in Canada the warm-hearted generosity of the country rose to a tremendous pitch of enthusiasm during that Spring and Summer of 1940. Kind hearts were touched, arms were opened wide to welcome the war guests when we arrived.

In some cases neither side realized the inevitable practical difficulties involved in this sudden transplanting of a miscellaneous collection of women and children. The seeming urgency and emotional appeal went far to confuse the issues on both sides.

And then the inevitable reaction set in. Some of us grumbled and showed lack of appreciation. Some found it hard to adapt themselves to a new way of life. Some, through no fault of their own, found themselves in severe financial difficulties. Some made good and obtained jobs in offices, munition work, education, medicine and various spheres and had the satisfaction of being accepted as working members of the Canadian community. We all learnt one lesson, and that is, that life is very much what we make of it ourselves.

For you, war brides, things should be much easier than they were for us. First of all you have come out as part of a Canadian family; and that family is eager to welcome you as one of themselves. You have not come out as we did, as a temporary expedient, but with the deliberate intention of fitting into the way of life out here. You will never know acute loneliness to the degree that many war guests experienced it. You will not be faced with the same financial difficulties which made in so many cases, life for both hostess and war guests so full of complications. But we are all liable to make mistakes, and perhaps you can profit by some of the mistakes made by war guests and avoid them.

Above all, do not band together and try and remain exclusively "English". It has been reported, and I do not know with what degree of truth, that an English mother arriving in Canada summoned her fellow war guests and gave them this piece of advice:— "Whatever happens, let us all stick together and keep ourselves to ourselves and not lose our English identities." I can't imagine any more mischievous counsel! It is, of course, not necessary to repudiate your own ways of thought even if you are willing to learn of others. But how can you possibly become a member of the community in which you live, if all the time you are feeling the barrier of nationalism hedging you in? And if you do not mean to become a member of your community, my advice to you would be to return to your native land, wherever it is, without any more ado.

After all, it matters little really whether we are Canadian or English, the thing which matters is our ability to see the other person's point of view. Once we have recognized that some habits of life and thought are different to those to which we have been accustomed, and we have accepted this as a fact, it behoves us to see not what divides us, but what links us together. And for the most part, many of the differences are purely superficial.

In these things, children, I believe, show far more common sense than adults. My experience, during my stay in Canada, is that children are on the whole quite indifferent as to whether their play-fellows are English or Canadian. They judge by an entirely different standard—whether they happen to like them or not and whether they are good sports. It is true they may pronounce "bath" or "tomato" differently, but in the wiser eyes of children these things have no importance.

A New Life

Perhaps before you set out you had a picture in your minds of how things would be when you arrived in Canada to be greeted by your "inlaws", and you may have found the reality a very different thing. Possibly in some ways you will be disappointed. But keep your eyes open and your hearts eager to welcome the friendliness you will meet, and you have the key in your hand to rich, new experiences, and hold the certainty of a well worth while life ahead.

Be assured of one thing. You will be judged entirely on your own merits. Give loyalty and friendship and it will be given back to you in full measure and running over—understand and you too will be given understanding.

How I hate that label "war guest!" In time you too perhaps will hate the classification of "war bride!" You will be thankful too when you have graduated from that very artificial grouping to the status of a real person. How happily then the words will ring in your ears—not—"You must meet one of our war brides—Mrs. So-and So," but "Here is Bill's wife" or "This is my Aunt Jean!"

And now after nearly four years in Canada many of us are returning to England, eager to pick up old threads, eager to be reunited with our families again and established in our homes once more; and yet thankful for all that these years have meant in the health and well-being of our children, and grateful that, thanks to Canadian kindnesses, they have been spared the grimmest horrors of war.

Some of us, like you, are making our homes here. We have grown to love Canada — the freedom and friendliness we have met with here. We are looking forward to the day when we shall be proud to call ourselves Canadian, and feel it a privilege to be accepted as a loyal member of this vast Dominion.

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HARRIET HUBBARD Ayer

THE OTHER PAGE

Frederick Niven Had Novelist's Memory, and Loved His West

By GRETCHEN GIBSON

WHAT makes a writer?—a novelist? No doubt many things—many traits; among them, perhaps, skill in interpreting life, pronounced powers of observation, imagination, retentive memory, curiosity, but above all a writer must have a love and understanding of words. Mrs. Niven, wife of the late Frederick Niven, says of her noted husband (novelist, poet, journalist) "Words were to him as a passion. He was difficult to please and never satisfied with his own work." It has been said that easy writing makes hard reading. There was no easy writing about Frederick Niven's work, and to judge from the many letters, signed and unsigned, that he received from strangers (and his wife is now receiving), his books certainly do not make hard reading.

It is not generally known that "Mine Inheritance", the first Canadian book to be chosen as Book of the Month by the Book Society, was originally written in the third person. After the manuscript was mailed Niven became possessed with the impulse to do it in the first person. This idea took such a hold on him that it was impossible for him to dismiss it. He sent a cable to his publishers early next morning and started at once—and the whole book was rewritten completely in twenty-one days. The result for him was complete collapse. During that twenty-one days he wrote until long after midnight and was up at six o'clock next morning and back at his desk—or, to be precise, at his armchair, for he wrote with his paper on a large board, all the necessary notes on a table nearby.

Memory was one of Frederick Niven's great gifts. He was born in Valparaiso, Chile. When only five and a half years old he left Valparaiso with his mother, homeward bound for the land of his fathers, Scotland, sailing round the Horn in an old "nitrate clipper", a gray-blue iron vessel with black painted ports. Although so young, these details of the ship he remembered, and also many incidents of the voyage, some of which his mother had forgotten until he reminded her of them. Often he spoke of how clearly the Andes had been discernible from far out at sea, and of how, lying in his bunk in the iron barque, he watched on stormy days "green seas swirling and washing past the porthole." In later years he would smile over the discovery, made at that time—astounding to an adoring child—that his mother was not only open to censure but could meekly accept it from the captain, when one day she was found heating a kettle on a small spirit-stove for afternoon tea.

"Mistrees Neeven," Captain Mellor is reported to have said, "fire at sea is a very serious matter. I cannot allow you to use that stove. If you need hot water for tea you must get it from the galley."

The young Frederick waited for the heavens to fall upon the captain. That they did not was a revelation—and had a profound effect upon his youthful philosophy.

ALSO in connection with her husband's remarkable memory an amusing story is told by Mrs. Niven. In 1900,, a little to the south of McIntyre's Bluff, British Columbia, a wagon-road sloped over the benches into open rangeland. At one place—in these days on an Indian reserve—a creek hidden among cottonwoods and dense bushes, hurried down to join the Okanagan. It was wide enough to require stepping stones, and as Niven (who was tramping from Salmon Arm to the Boundary Country in the company of two men) rested in the shade before continuing to Camp McKinney, a number of Indians on horseback crossed the creek. There were young men and old men carrying rifles, there were women with children big enough to sit astride the ponies before their mothers, women with babies slung on their backs. There were young girls, some of them quite attractive. They rode through the dappled shade of the cottonwoods, crossed the creek and passed out of sight over the rolling foothills.

Forty-one years later Frederick Niven, his wife and two friends were going over much the same ground in a car driven by one of the friends. The writer stood beside the same stepping stones, re-living those unforgotten moments of the past. The creek was smaller, due—he was informed—to irrigation. He related with astonishing detail the incident of the Indians, dwelling with enthusiasm on the native charm of the Indian girls. A splash of color attracted his attention. He went to inquire the cause of it and saw a modern version of the sweat-lodge (bathing-house). This one, conventional in shape and size, was covered with quilts of many colors instead of skins and outside it, filled with water, were graniteware jugs and pails.

"It's being used!" Niven exclaimed.

He had a clear voice, and although he spoke quietly his words carried. Out of the many colored quilts popped the head of an irate wrinkled Indian woman, who shouted in her own language something that plainly meant "Get out!" Frederick Niven withdrew apologetically and hurriedly.

"Well," said his wife, "you've probably seen one of your attractive girls again."

NIVEN was educated in Scotland, attending the Hutcheson School, the famous old school founded in 1641 in Glasgow by the brothers George and Thomas Hutcheson. It being his intention to become a painter, he attended evening classes of the Glasgow School of Art. His grandfather was head librarian of the old Glasgow public library, and during the day Niven acted as assistant librarian of a Glasgow library; thus books were easily accessible and much of his reading, especially as a boy, was of Canada.

A few years after finishing school he came to the country that interested him so greatly, working his way through British Columbia in sawmills and railway camps. Eventually he reached Nelson, B.C., destined to be his future home, from where he journeyed eastward again to Montreal, sailing for the British Isles on a cattle boat. "The S.S. Glory", written some years later, was the result of this experience.

Articles and sketches based on his Canadian adventures opened to him the field of journalism, and eventually took him to London to Fleet Street as acting editor for a British weekly. In his spare time he wrote a novel and then a second one, leaving Fleet Street for this purpose. However, journalism was not given up entirely. London and provincial dailies and weeklies, the *Morning Leader*, the *Morning Post, Sunday Times, London Daily News, Pall Mall Gazette, The Nation and Athenaeum* and other journals ran frequent articles from Niven's pen, and his verse also occasionally appeared in the *English Review, London Mercury, The Nation,* etc.

Shortly after Frederick Niven's marriage in 1911 to Mary Pauline Thorne-Quelch of London, he received a roving commission from *The World's Work* for a series of articles on Canada. He brought his young wife to this country, but returned to London on completion of his work and took up residence in an old timbered house on the edge of Epping Forest, where some of his loveliest poems were written.

During the First World War Niven served his country as assistant to the Assistant Food Controller—of all things! An examination by the army doctors had shown him unfit for active service, but he was determined to do his part somewhere. Later he had a more fitting post as Associate Editor of Articles for allied and neutral powers. After the war the Nivens came to Canada for a six months' rest—and remained, making a permanent home (to the great pride of the district) at Willow Point near Nelson, in the West Kootenays, British Columbia. In his poem "A Lover of the Land" Frederick Niven shows how great was his affection for the spot which he had chosen—

"I have a shingled house here
That stands among tall trees:
A colored river flows before:
Mountains guard over these.
This 'lodge in some vast wilderness'
My soul does greatly please."

IN AUGUST last the renowned writer suffered a severe heart attack, and was taken by his devoted wife and constant companion to Vancouver, where a specialist could be consulted. On January 30th he died at St. Paul's Hospital. There is a beautiful cemetery in Nelson, sentinelled by mountains, ruled over by sun and stars, by rains and snows and winds in their appointed times. Here Frederick Niven was buried.

Copies of his splendid novels can be found in all our public libraries. Several times he was asked what was his favorite among these, a question he could not answer. The novels he enjoyed writing most were perhaps, "A Tale That is Told," "The Three Marys," "Mrs. Barry," "The Flying Years," "Old Soldier," "The Staff at Simpson's," "The Story of Their Days," "Mine Inheritance," and the one with the British Columbia background that he finished shortly before he died. When he drew out the plan for what was to be his last novel it was feared it would tax his strength, as the physical strain for one with his serious heart handicap was terrific; but nothing would deflect him from it. "I feel a book coming on," he said; and within a week it obsessed him.

He chose a big theme and refused to limit it. He had lived in British Columbia because he had loved it, had met many who had shared his love of it, and a few to whom life there was almost unendurable. He wanted to gather them together in a "printed book", as Synge's character said, with fairness to all. When the last words were written he was very tired emotionally and physically. This book is being published by Wm. Collins Sons & Co., of London and Toronto.

Symbolism was strong throughout his books, and it is remarkable to consider that not more than three minutes before he went he said to his nurse with great certainty, "I believe I am over the hump!"

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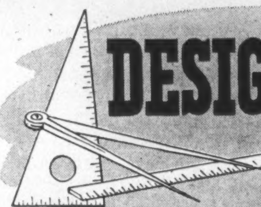

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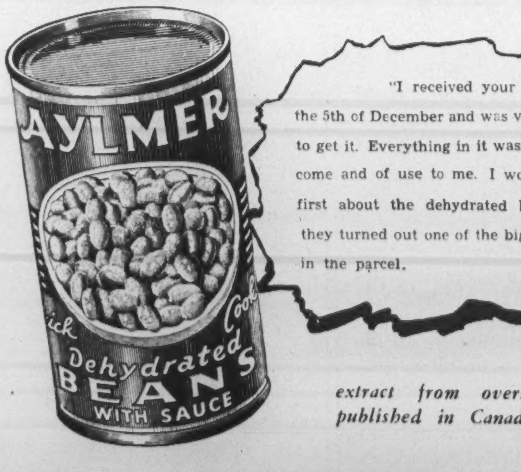
"...one of the biggest treats in the parcel"



"I received your parcel on the 5th of December and was very happy to get it. Everything in it was very welcome and of use to me. I wondered at first about the dehydrated beans, but they turned out one of the biggest treats in the parcel.

extract from overseas letter published in Canadian paper.

USE AYLMER DEHYDRATED BEANS YOURSELF AND YOU'LL WANT TO SEND SOME
OVERSEAS
TO YOUR SOLDIER AND CIVILIAN FRIENDS.
7 OZ. TIN EQUALS 16 OZS. REGULAR STYLE BEANS
AYLMER DEHYDRATED BEANS
EVERYTHING IN THE TIN NO EXTRAS TO ADD

One Dozen Roses for Private Gillespie

By MARY AKSIM

Discipline had to be maintained, but it faltered a moment when the perfume of roses drifted through the barracks.

THE address on the box read simply—Miss L. M. Gillespie, Basic Training Centre. The orderly-room sergeant asked again if the postal clerk were sure that the recruit's number had not been given. It simplified things so much to have the number, she said.

The postal clerk was a patient creature and looked again at the green florist's box which she was holding loosely by the string, but there was no number at all and the sergeant took down her black roll book reluctantly. She located Gillespie in Barracks 9. The postal clerk said she might as well run the flowers over herself since mail call wasn't until after supper and they would be wilted by then—but the sergeant had turned back to her duties and didn't bother to look up again.

The corporal in Barracks 9 looked at her wall chart and found Private Gillespie assigned to the upper, bunk 15. The postal clerk walked along with her between the rows of high bunks. It was the free time after dinner and Barracks 9 was alive with preparation for the afternoon inspection parade—buttons and shoes were being polished, uniforms brushed and kits brought to order. A ripple of apprehension preceded the corporal along the row and the postal clerk noticed that the regular push of polishing ceased at their approach.

The occupant of the upper, bunk 15, was lying prone, her grey army blanket covering even her head. The corporal tapped sharply on the iron railing of the bunk, the blanket was thrown aside and a dishevelled recruit with long wisps of fair hair and a tear-stained face slid over the side of the bunk. The corporal looked at Gillespie with cold disapproval; Gillespie pulled herself to a weak, wholly feminine attention. The postal clerk was about to hand over the flowers but the corporal waved her back. This was something which affected the Morale of the whole Barracks and the corporal knew what a breakdown in Morale could do.

She reached into her upper tunic pocket for a small notebook and pencil and after buttoning the button again carefully she indicated Gillespie's barrack box with her foot. "Open it," she commanded.

Gillespie complied. Inside was a most unsoldierly scramble of brushes, rubbers, boots, polishing cloths... At that moment the postal clerk laid the green box on top of the heap.

She just knelt there holding the warm red roses to her, whispering over and over the precious syllable of his name. So he was safe after all. She began to shuffle through the foliage for a card. There had to be a card.

The corporal found it for her. It had fallen to the floor when she lifted the roses from the box. And the corporal leaned over for a deep, deep whiff of fragrance. Roses. She smiled to herself a little wistfully. The postal clerk watched her thoughtfully—how young she is, she thought, probably not a day over twenty... And these girls who were crowding around, exclaiming over the flowers, locating a forbidden bottle in a cubicle right under the corporal's nose, rushing off to get water . . . what were they thinking? Well . . . what does any woman think about when she looks at roses?

They made a great fuss of arranging them in the bottle and spilled some water on the bare barracks floor and laughed and teased Gillespie and then grew silent one by one just drinking in the tender color—lost each in the bright warm world of yesterday.

A trumpet shrilled out a raucous warning. The clerk and the corporal straightened; the recruits wavered a bare second, then turned to duty. The postal clerk thanked the corporal and walked away but the corporal was already scratching in her notebook and didn't hear her. And Private Gillespie? Gillespie began to sift slowly through her barrack box with the merest pretence of restoring it to order.

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FIGURE control was a man's size job in Grandma's day

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Among the readers of SATURDAY NIGHT will be found a large proportion of those people who are important in all spheres of Canadian activity. It is read by a majority of Canada's top executive business men. It is read by a large proportion of those engaged in public affairs. It is read by leading doctors, lawyers, jurists, educationalists, clergymen. It is also read in their homes by their wives and families. It is highly improbable that there is a periodical with a readership that is as influential on the opinions and attitudes of this nation as SATURDAY NIGHT.

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2 cups sifted flour
½ tspn. salt
¼ cup shortening
½ cup honey
⅔ cup milk (scant)
½ tspn. grated lemon rind, if available
3 tspns. Magic Baking Powder

Sift dry ingredients together. Cut in shortening until mixed. Combine ¼-cup honey with milk; add to first mixture. Knead on lightly floured board enough to shape into smooth ball; pat ½-inch thick. Cut with floured biscuit cutter, place on baking sheet and bake in hot oven (450°F.) 12 to 15 minutes. Mix remaining honey with lemon rind and dribble over tops of biscuits just before removing from oven. Makes 14.

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MAGIC BAKING POWDER
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SATURDAY NIGHT, TORONTO, CANADA, APRIL 1, 1944

P. M. Richards, Financial Editor

Post-War Price Fixing Pondered by British

By GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

The report prepared for the Board of Trade by the Post-War Committee of the British Cotton Board is looked on as significant as a possible guiding rule for other major industries in Britain.

One of the most discussed recommendations of the report is the proposal for maximum and minimum prices to be enforced by law. Mr. Layton disagrees with this and says that price pegging is only justifiable as a temporary measure — as a medicine but not as healthy nourishment.

London.

THE report made by the Post-War Committee of the Cotton Board to the President of the Board of Trade has already become a *cause celebre* in British economic and industrial circles. The analysis on which the report was based was initiated at the Board of Trade's request, and the particular interest which attaches to it derives not alone from its own quality but also from the expectation that it will establish a guiding rule for other major industries, whose programs for the post-war may well be influenced by the official reception afforded the cotton plan. The particular dependence of the cotton industry on the export trade has also, at a time when exports have become so general a topic of conversation that they intrude into parlor conversation, shone a broad limelight on the Cotton Board's effort.

Comment has been very mixed. The report hung its recommendations on a skeleton of familiar design, and of a type that tends to hide in the cupboards of a nation's historical library. It proposed maximum and minimum prices for cotton cloth, to be enforced by law. It argued for a plan to deal with redundant capacity, securing finance by compulsory contributions. And it said that these twins should be mothered and ministered to by a central Board representative of the industry.

The reaction in the Press was not very inspiring to the authors of the plan. The *Economist* observed that "the only sound general attitude to take towards schemes for fixing minimum prices is one of intense suspicion". The *Investors' Chronicle* noted that the plan suffered from the "lack of a clear lead from the Government as to the general economic background into which a reorganized cotton industry will be expected to fit", and that the Report "attempts to be all things to all men".

Under the headline "Permanent Price Ring For The Cotton Trade", the City (Financial) Editor of the *Evening Standard* said "The report gives the impression that it has been prepared by men who want to secure a privileged position for the existing units in the trade". These were the main focal points of attack, and they remain the crucial points of argument.

First, as to the fixing of prices. In general, the pegging of levels below which prices may not decline smells of the evils of monopoly and implies the threat of disservice to the consumer and to the nation at large. It is only justifiable as a temporary measure at a particular point in the economic development of an industry, and at a particular stage in the broad economic background, when the process of organization in the industry and of the adjustment of capacity to demand may be assisted by the price device that can prevent the development of the uneconomic price cutting that is naturally born of unorganized industry and which tends to appear in certain general economic conditions.

That is the heavy way of saying that price fixing is a medicine and not a healthy nourishment. Moreover, even if it should be conceded that the cotton industry is likely to qualify in

(*Continued on Next Page*)

THE BUSINESS ANGLE

Why We Can't Afford Socialism

By P. M. RICHARDS

WHEN the war ends and we turn our productive system back from war to peace, will there be jobs for all who need them? We fear and we hope and we plan—and find comfort in the existence of a huge volume of wartime savings, much of which will, we expect, be used to buy needed goods, thus stimulating peacetime production and creating employment.

But—a disturbing thought: do these savings really exist? Isn't it a fact that we have, in this wartime, created more debt than we have savings? On balance, aren't we poorer financially? In an article in *Barron's National Business and Financial Weekly*, Shelby Cullom Davis asks: if the U.S. Steel Corporation borrowed $100 millions from banks and so had $100 millions more cash in its till, would we say that U.S. Steel had saved that amount? Would we ignore the liability which has been incurred at the same time? Suppose U.S. Steel was forced to spend three-fourths of this $100 millions in eradicating a blight of hookworm disease among its blast furnace operators instead of erecting new productive facilities. Would, then, anyone say U.S. Steel had $25 millions in savings and overlook the $100 millions in liabilities still on the balance sheet?

Yet that is almost precisely what has been happening, Mr. Davis says. The U.S. (and the Canadian) citizen today has more savings, largely in currency, bank deposits or bonds. But he has, in effect, borrowed to obtain these savings. The citizen individually has not borrowed—but his government, a kind of communal citizen, has. The citizen pays taxes to his government. The net result is the same as if each and every citizen had borrowed in order to secure his savings, just as U.S. Steel did. Although he receives income from these savings, this income won't be sufficient to pay the interest, in the form of taxes, for which he is liable.

Mustn't Be Casual About Debt

If it be remarked that payment of interest on the national debt will be relatively insignificant since "we owe it to ourselves", then does not the corollary follow that the income from our savings is equally insignificant? If we owe it to ourselves, then the transaction becomes a kind of intra-trousers one, paying taxes from one pocket and collecting interest in the other—the transactions cancelling out each other at best. In reality, Mr. Davis says, the increase in taxes after the war, compared with pre-war rates, will undoubtedly be greater than the increase in income received from savings.

We cannot afford to be casual about our mammoth post-war debt, Davis says (he has only the U.S. in mind, but we can apply his warning to Canada too). It will dominate our business, our finance, our everyday lives in the years to come. Unquestionably the debt and the continued large taxes which its service and other government expenditures will require will exert heavy pressure upon our economy in the future. He does not believe that our new savings, by themselves, will be sufficient to offset the constant drag, the slow-down of effort which taxes inevitably bring. He thinks that those who expect to float to post-war prosperity on a billowy sea of savings may become sadly disillusioned, once the filling of our presently pent-up demands has ceased to exert a dominant influence; that in fact, because of our concurrent liabilities, we may stand in danger of being eventually smothered in our immense volume of savings rather than stimulated by them. Peak savings, he reminds us, usually occur amid peak business. And record-breaking savings in 1929 did not prevent 1932.

Have to Shoulder Debt After War

He cites three principal reasons for the average citizen's relative complacency toward the huge, growing debt: 1—We are glibly accepting as lasting our present success, if it can be called such, in carrying this burden. But the present, of course, is no test of our ability to carry such a debt in normal times. Business now is at record levels. Besides, we are not really carrying the debt when our deficit is mounting so largely each year. 2—We believe that war has made a gigantic debt inevitable and that there is nothing we can do about it. But while it is true that wars breed debt, nothing is gained by yielding to counsels of defeatism. Obviously, we ought to keep the debt as low as possible and begin laying realistic plans for shouldering it after the war without further recourse to deficit financing. 3—We are being lulled by overly optimistic predictions of post-war prosperity to be financed with the enormous savings currently being amassed. "It is curious indeed," remarks Davis, "that we hear far more about savings than about debt."

All this suggests that after the war we'll have to rely more on individual effort and less on government hand-outs than we had thought; that our present rosy dreams of lifting ourselves by the bootstrap of government spending may be quite unwarranted by the facts. It's evident that we're going to need the largest possible national income, so that we can service the debt and still get along. That means that we must have the fullest possible employment, so that each may contribute to production and carry his share of the debt. And a high level of employment requires a vigorous, forward-looking productive system, courageous and progressive because free from unnecessary restrictions.

Maybe, after all, we just can't afford socialism.

IN THE PUBLIC EYE

H. P. VAN GELDER

WHEN recently one of the top-ranking posts in the United Nations Relief and Rehabilitation Administration fell to a Canadian, Hendrik Peter Van Gelder, his appointment as deputy director-general in charge of finance and administration was not alone tribute to Mr. Van Gelder's 40 years' experience in international business and finance, it drew attention to a fact not generally appreciated—of Canada's emergence in the period between the wars into the wider field of foreign trade and international finance. In 1913 the total of commodity trade abroad was only one million dollars; it doubled that figure by 1918. As might be expected, the foreign exchange departments of Canadian chartered banks kept pace with this expansion and were naturally on the lookout for young men with more than average experience in this specialized field.

Photo—Fin. Post.

H. P. Van Gelder was such a one. Born in Amsterdam in 1881, he arrived in New York at the age of twenty-two with an unusual background of financial experience abroad to enter the New York agency of the Canadian Bank of Commerce. He was transferred to Canada in 1912 and worked in the Vancouver and Victoria offices of the bank, adding to his already extensive knowledge of foreign department work through the ramifications of Pacific Coast export business with Central and South America and the Orient.

Transferred to Toronto in 1917 he assisted in organizing the foreign department at the bank's head office and became head of that department in 1923. But 1925 saw him on the move again, this time to Brazil as manager of the bank's Rio de Janeiro branch. In the following seven years, Van Gelder added Portuguese, Brazil's official tongue, to his already extensive command of languages, which included Dutch, German and French. Returning to Toronto in 1932 he assumed supervision of the bank's foreign branches, and in that capacity travelled extensively in Europe, the West Indies and Mexico. He was in charge of the London, England branch from May to December, 1943, and retired from active service on January 1, 1944.

However, his period of retirement was exceedingly brief. His extensive experience in finance and administration was much too valuable not to be utilized in an organization like the UNRRA which will have the job of nursing back to economic health the peoples in the liberated countries now ravished by war. Canada fortunately was able to supply the key man in the person of H. P. Van Gelder, and the already influential position that the Dominion has gained through its participation in other co-operative efforts in Washington should be measurably strengthened by his appointment.

Mr. Van Gelder will serve in Washington with the director-general, former Governor Herbert Lehman of New York. Mr. Lehman's top administration organization is virtually complete and it is truly international.

When the 44 united and associated nations formulated the plan at Atlantic City last November, it was agreed that participating countries would contribute to UNRRA's operating cost on the basis of one per cent of their national income. Canada's share of operating costs will be about $90,000,000 of which about 90 per cent will be contributed in kind. Administration costs are contributed on a fixed percentage basis. Some 20 signatory countries have already paid their share.

These facts and fundamental figures give some idea of the tremendous organizing and administrative job involved in handling the funds for the relief of the liberated peoples of Europe, even at this present stage before any actual application for supplies has been made. Only a man completely at home in the field of international finance as Mr. Van Gelder is could be expected to cope successfully with such a truly Herculean task.

This new method of forming the bore of heavy 75 mm. gun tubes by piercing white hot seamless steel tubing rolled to the exact diameter of the gun tubes takes about 15 minutes time, compared to six hours by the previous method of machining the bore. Use of seamless steel tubing, instead of the infinitely slower method of casting or forging the gun tubes from a steel bar cut to the diameter of the breech, enables a single production line to turn out more than 6,000 gun tubes a month.

(Continued from Page 26)

the post-war for the temporary application of the medicine—a matter that depends upon what the Government has in mind for exports—the supreme practical difficulty arises; who is to fix the price and on what basis?

The Report talks some balderdash about the criterion being the securing of a "reasonable rate of return in the long run to an efficient firm as determined by an investigation of the average results of a representative group of efficient concerns", but no one on this earth can make any sense of that. The final impression left by the price fixing provisions is that they are in themselves a condemnation of the inability of the report to conceive a program consistent with the requirements of the country.

"Worn-Out Conceptions"

In the matter of redundancy, the authors of the report also showed their adherence to worn-out conceptions that have abundantly revealed their inadequacy and their innate mischievousness. In 1936 there was an Act for the Cotton Spinning Industry which reckoned that the way to deal with redundant capacity was, not to compel reduction, but to offer a price for the purchase of plant, and then to scrap the plant.

Surely Lancashire remembers the imposition this put on the still-operative plant. It is a peculiarly stupid form of industrial suicide. The price must be high for the unwanted plant (or it would not be sold), and it is borne by the plant that remains in action. So the cost of production leaps up, and the contracting tendency of markets is accentuated. The Cotton Board's recommendations on this point will not even compel the damning praise that, however they operate against the general interest, they are all to the good of the industry itself. This way of reducing capacity is bad for the industry.

As to whether the report is largely a specimen of special pleading (a view widely held in the Press) it is necessary to say in its defence that the problem of redundant capacity, with which is involved the whole question of whether new blood should be attracted and whether the industry is to be expansionist or contractionist, is not one which Lancashire is itself wholly able to decide. The cotton industry's job is to be efficient, and one aspect of efficiency is the adaptation of its size to the job it has to do, and the size of that job will depend in very large measure upon official policy.

It is right that no irrelevant schemes for expansion should have been allowed to consume the time and energy of the Board. Nevertheless, this criticism stands in conjunction with the other criticisms. In the price fixing plan and the redundancy plan there is the contractionist preoccupation, and perhaps it is not offering the authors of truth the unclean sacrifice of a lie to say that they have displayed an unnecessarily marked disposition to regard the future with caution rather than with hope.

The Cotton Board, under Sir Raymond Streat, will not object to the rough treatment that its report is receiving in the *sub judice* stage before the Government's reaction has been made public. It is by argument that the truth appears. And, to judge from comment in the industry itself, the Board has a strong backing there for its opinions. But the cotton industry does not live in a vacuum. Nothing that is bad for the general economy can in the long run be good for any industry in it, particularly so basic an industry as cotton. Lancashire, with the rest of the country, should be grateful for the outspokenness of comment on the report, for it is surely a good sign that so many voices are speaking with sound sense.

A.A. gun crews are seen reading Prime Minister Churchill's message of congratulation for beating off recent attacks by German raiders.

Company Reports

Metropolitan Life

NOT only leading all insurance institutions in volume of business transacted and in payments to policyholders, the Metropolitan Life Insurance Company, with Canadian head office at Ottawa, also leads in public welfare activities. In 1943, the 75th year of its existence, the company issued $2,305,262,410 of paid-for life insurance, as compared with $2,051,013,903 in 1942. It increased its life insurance in force from $26,867,676,154 to $29,180,396,994, which is held by more than 30,500,000 persons in Canada and the United States. It increased its assets from $5,994,915,576 to $6,463,803,551. Its payments to policyholders and beneficiaries increased from $533,624,637 to $554,873,000.

Dividends to policyholders amounting to $105,674,814 have been declared, payable in 1944. This is the eighth successive year that dividends to policyholders of more than $100,000,000 have been declared. Policyholders' dividends paid by the company since incorporation, together with those declared for 1944, amount to over $2,000,000,000.

Commenting on the company's operations in Canada, Vice-President Edwin C. McDonald, in charge of the Canadian head office, pointed out that Canadians had taken out $176,849,896 of life insurance with the Metropolitan in 1943. This new insurance brought the total life insurance owned with the company by its 2,200,000 Canadian policyholders to $1,556,011,369, as compared with $1,403,237,543 at the end of 1942. During 1943 over $27,000,000 was paid out by the Metropolitan to its Canadian policyholders and their beneficiaries. In addition, the company's nursing and other welfare services were maintained in 1943. A total of 230,045 nursing visits were made last year to holders of industrial, group and other policies in Canada.

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North America

ASSETS and surplus of the Insurance Company of North America, as of December 31, 1943, are listed in the annual report as the largest in the 151-year history of the company.

As of December 31, 1943, assets were $140,471,072, based on year-end market values of securities. This compares with $124,441,223 at the end of 1942. Surplus increased $6,356,581 to a total of $70,000,000. Surplus to policyholders, consisting of capital plus surplus and voluntary reserves, was $88,900,000.

Net premiums written by the North America last year amounted to $39,255,786. Of this, fire and allied premiums totalled $22,236,886, an increase of 9.4% over 1942. Claims paid totalled $9,613,103, reflecting a sharp increase over 1942, due largely to increased fire losses for the industry throughout the country which, preliminary estimates show, were the highest since 1932—being 21% in excess of 1942.

Ocean Marine premiums last year, aside from ocean marine war risks, were $3,563,489, an increase of some $500,000 over the previous year. Claims paid amounted to $1,637,819.

Inland marine premiums for 1943 amounted to $6,036,468, a slight reduction from the 1942 income.

The operations of the North America Group in Canada had one of its finest years in history in the Dominion. Net fire premiums increased over $300,000, casualty premiums likewise show a substantial increase, while marine, excluding war risk, held about even. The company's operations in Canada are under the general management of H. C. Mills, head office, Toronto.

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Occidental Life

ALWAYS enterprising and aggressive, the Occidental Life Insurance Company of California, with Canadian head office at London, Ont., and of which W. Lockwood Miller is general manager for Canada, had another record year in 1943. Its life insurance in force increased from $773,332,231 to $887,678,925, an increase of 21 per cent, as compared with an increase of 16.5 per cent in 1942. Assets increased from $89,760,401 to $104,439,298, an increase of 16 per cent, as compared with an increase of 12.3 per cent in 1942. Total premium income increased from $18,691,541 to $22,840,124, an increase of 22 per cent, as compared with an increase of 12.6 per cent in 1942. Accident and sickness premiums in force increased from $2,409,455 to $4,406,739, an increase of 87 per cent, as compared with an increase of 52.5 per cent in 1942. Payments to policyholders in 1943 reached a new high total of $9,857,946, as compared with $8,964,163 in 1942. Capital and surplus at the end of 1943 amounted to $5,918,896, showing an increase of 23 per cent.

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

E.L.H., Kitchener, Ont.—BATHURST POWER AND PAPER CO.'s annual report says "it is anticipated that the plant will operate on a full-time basis during 1944, though war conditions naturally make it impossible to forecast the future with assurance." The company earned $1.35 per share on the "A" stock and paid $1.00 in dividends in 1943, comparing with $1.87 earned and $1.50 paid in 1942. Dollar value of sales was at an all-time peak, amounting to $6,992,759 compared with $6,817,508 in 1942. Manufacturing costs increased substantially in 1943, and the report states that current indications are for further sizable increases in the cost of pulpwood, while wage rates were increased on Jan. 1 of this year under direction of the Regional War Labor Board. The increases in prices of newsprint and in the export price of unbleached sulphite pulp will help the company, it says, but not offset the increases in costs.

M. H. D., Royalties, Alta.—While BAILOR GOLD MINES has reported no activity in recent years it still holds copper prospect claims in the Sudbury district, an interest in Herb Lake, Manitoba, ground and six gold claims in the Savant Lake area of Ontario. A block of 800,000 shares is also held in Golden Shower Mines, which is inactive. LAFAYETTE LONG LAC GOLD MINES, holding 11 claims in the Little Long Lac area, is also inactive. A block of 1,000,000 shares are held in Marquette Long Lac, but no activity is underway here either. It is over 10 years since MANITOBA BASIN MINING CO. has shown any activity. Claims were held in Manitoba, also an interest in a property in Ontario, but exploration of neither showed much promise. While I understand the company still holds its charter, the Manitoba government recently cancelled the company's registration in that province.

W.M.R., Hamilton, Ont.—The latest payment on dividend arrears on SIMPSONS LTD. 6½ per cent preferred is a special dividend of $2 per share payable May 1 which will reduce the arrears outstanding to $13.62½ cents per share. This makes the second payment on arrears already in the current year, $2 having been paid on Feb. 1. In 1943 two payments on arrears were made, $2 on June 15 and $3 on Dec. 15 and it is likely that this arrears reduction of $5 in 1943 will be exceeded in the current year for there are still two quarters to go. The company has had excellent results in recent years with operating profit at a new peak in the year ended Jan. 5, 1944. Retained net on the 6½ per cent preferred was $9.07 per share, in addition to which the post-war tax refund was equal to $4.22 per share. This compared with $9.25 per share retained net and $2.39 per share of tax refundable earned in the year 1942. Financial position was also strengthened with net working capital increased by $400,000 to $11,622,604. Current assets included cash of $914,691 and Dominion bonds of $5,019,200.

N. A. H., Montreal, Que.—As PEND OREILLE MINES is a United States operation there is not the same amount of information available to us as if it were in Canada. In the year ended April 30, 1943, net profit was considerably higher at 5¾ cents a share. At that time the president stated that the zinc output had been

BUSINESS AND MARKET FORECAST

Decisive New Highs Unlikely!

BY HARUSPEX

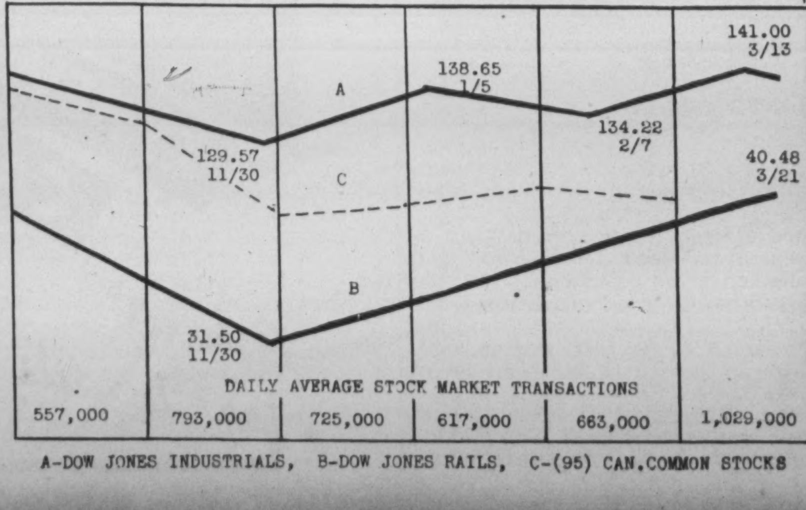
The ONE TO TWO-YEAR TREND: Stocks, following their sustained advance from the April 1942 lows, completed a zone of distribution in July and are now in cyclical decline. For discussion of SHORT TERM outlook, see below.

On February 17 the Dow-Jones rail average broke into new high ground above 1943, this showing being attributable to four stocks in the average—Norfolk and Western, Union Pacific, Louisville and Nashville, Delaware and Hudson—the first three of which represented the high-priced issues of the list. Something over a month of continuing firmness in the rail list has subsequently elapsed with but three additional rails getting into new high ground. Meanwhile, the industrial average, despite heavy recent trading, is yet some distance from its 1943 high.

Should the industrial average, over the one or more weeks ahead, take on strength carrying decisively (by more than one point) above its 1943 peak (that is, a close of 146.83 or better), the two averages will have jointly reconfirmed the major trend as upward. Under such a development two considerations will stand out. First, the major trend, dating from April 1942, would be in its 24th month, beyond which, in terms of market habit over the past half century, it would be living on borrowed time. Second, the industrial average would have confirmed prior strength in the rail average some five or more weeks late. **This** type of "retarded" confirmation has usually warned that, following after the advance which it initiates, is apt to come a fairly substantial decline.

As stated last week, we think it unlikely that the industrial average will develop decisive new highs. This, however, is a question that the market, rather than our opinion, will, in due course, settle. Meanwhile, **we would recommend that investors use current strength to establish substantial cash reserves, via stock selling, providing this was not effected on our advices during strong markets culminating in July 1943.** Remaining stock holdings should be continued until and unless the market does move substantially into new high ground, in which event specific selling advices will be given herein.

DOW JONES STOCK AVERAGES



A-DOW JONES INDUSTRIALS, B-DOW JONES RAILS, C-(95) CAN. COMMON STOCKS

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FIRE and WINDSTORM

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PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON
114

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Direction of VERNON G. CARDY

maintained at the highest possible level but at the expense of underground development due to the manpower shortage. Hence, extensive development will be necessary when conditions improve to restore the ore position and this will require considerable capital funds. Further, no more premiums are being paid by the U.S. government as pressure on zinc supplies has been eliminated.

P.L.A., Maitland, N.S.—While the first mortgage bonds of BURNS & CO. LTD. are not in the highest investment category, they are, I think, a reasonable purchase as a "business man's investment", which term means an investment for someone who is in a position to keep an eye on the different conditions affecting the company. The company's report for 1943, just issued, shows that interest requirements on these bonds have again been earned by a fair margin as was the case in 1942 and 1941, and that there has been a further improvement in working capital position. While earnings have improved in wartime, I think you can count upon a continued sizable demand for the company's products after the war, in view of the world's need for food.

C. S., Walkerton, Ont.—Both BIDGOOD KIRKLAND and NORGOLD shares hold some speculative possibilities and are listed on the Toronto Stock Exchange. Bidgood has deepened the shaft and established two new levels and considerable interest attaches to their development as diamond drilling to the north at 1,400 feet gave high gold values. Norgold has acquired some new properties and plans an immediate exploratory program. Some slight interest has been shown in BURLEY PORCUPINE recently by reason of its Porcupine ground. SUDBURY CONTACT has been inactive lacking funds to explore its holdings. It has a substantial interest in Norgold and Lapa Cadillac. I understand WESTSIDE LONG LAC plans further work when finances can be arranged. The company has been endeavoring to keep as many as possible of its claims in good standing under difficult war conditions.

J.C., Toronto, Ont.— By all means retain your MacLEOD-COCKSHUTT holdings. I regard it as one of the most promising of the younger gold producers and one which with a return of normal conditions should rapidly increase earnings and dividends. The tonnage potentialities are large and once adequate labor is available a 1,000-ton operation is expected as compared with the present of about 400 tons. The labor situation has kept development to a minimum, hence, no increase in ore reserves was apparent last year. There is no "west orebody" as you have been informed, the important orebody is the north zone, where four new levels are to be opened to 1,750 feet and excellent ore news is anticipated from this development. It is also planned to resume exploration of the so-called south zone, which is regarded by John A. Reid, consulting engineer, as the most promising new structure found in the mine.

Massey-Harris Company Limited

MASSEY-HARRIS Company Limited is one of the world's largest farm implement manufacturers and will enter the post-war period in a strong financial position to take care of the anticipated demand for implements. In the depression years of the early 30's the company suffered with other industrial organizations and in subsequent years was affected by the low purchasing power of the farmer. In 1941 the capital structure was reorganized. The outbreak of the war brought an increased demand for food and higher prices for farm products, and the demand for implements could not be satisfied because of government restrictions on manufacture. These factors have contributed largely to improvement in the financial position. Increased revenue for the farmer has been reflected in outstanding accounts to effect a substantial reduction in accounts payable and a corresponding increase in cash and equivalent assets. It has been possible to liquidate slow moving inventories and turn them into cash, which will be an advantage when the company is again permitted to build up an inventory of implements for domestic and export sale.

During the war years the productive facilities of Massey-Harris have been largely engaged in the manufacture of war materials. However, restrictions are being gradually removed on the manufacture of implements to offset the slackening in war orders. In reporting on operations for 1942-1943 J. S. Duncan, President, stated that all factors point to greater activity in the manufacture of farm machinery during the coming twelve months. Governmental orders both in Canada and in the United States have provided for increased quotas for 1943-1944, and it is anticipated that commencing July 1, 1944, further increases in manufacturing programs will take place. In addition it is expected that important quantities of agricultural implements will be required for soldier settlements in Canada and to provide for shipments to the liberated areas of Europe. This greater activity in the company's regular lines will be materially offset by necessary cancellations and reductions in war contracts, he stated.

In Canada price and wage ceiling regulations have undoubtedly retarded the upward trend of costs, but these are nevertheless steadily rising, whereas sales prices of the product manufactured by the company are frozen—a situation which is causing Directors increasing concern. In view of these and other conflicting factors, Mr. Duncan stated it is difficult to forecast the future with any degree of accuracy. However, the company is engaged in the manufacture of a basic product, one which is essential to the production of food and for which a large and growing backlog of requirements exists both at home and abroad, and this, together with the extensive war work in which the company is engaged, appears to justify officials in looking forward to operations of the current year with reasonable confidence, the President concluded.

Massey-Harris is a world-wide organization, originally established in 1847. Plants are operated in Canada, the United States and Continental Europe—the latter in occupied countries and under enemy control and the assets have been written down to $4 in the company's balance sheet. A substantial interest is owned in H. V. McKay Massey-Harris Proprietary Limited and H. V. McKay Massey-Harris (Queensland) Pty., Limited of Australia. Distributing warehouses and sales branches are operated in most of the principal grain growing countries of the world. Products manufactured include a wide range of all types of agricultural implements.

Net profit for the fiscal year ended November 30, 1943, of $1,322,356 was equal to 98c per share on the common stock, compared with $1,564,028 and $1.31 a share the preceding year, the reduction as between the two years being more than accounted for by an increase of over $1,500,000 in the provision for income and excess profits taxes. The company's standard base has not been determined yet and the refundable portion of the excess profits tax is not included in the above net profits.

The balance sheet at November 30, 1943, showed the company to be in a comfortable liquid position, with net working capital of $26,563,240 up from $24,531,903 at the end of the previous year, and from $20,920,608 at November 30, 1938. Cash of $5,190,269 and government bonds of $6,523,429 were in excess of total current liabilities of $8,857,816—the former an increase from $352,968 and the latter from $255,365 at November 30, 1938.

In the reorganization of 1941 the old 5% cumulative preference shares of $100 par were exchanged on the basis of one share for 4 shares of new preferred of $20 par and 3 shares of new common, and the old common received one new share for 2 old. There were outstanding at November 30, 1943, 483,596 preferred shares and 732,508 common shares. The preferred stock is entitled to dividends of $1.25 per share per annum. Under the reorganization the company has the right to pay dividends in whole or part on the preferred stock in cash or debentures for a period of 5¼ years, and after November 30, 1946, the dividend is cumulative and payable in cash. All dividends on the preferred have been paid in cash to date. Holders of the preferred have the right to convert into common on the basis of one preferred for 2 common so long as 322,399 or more preference shares remain outstanding; at the rate of 1½ common shares so long as less than 322,399 and more than 161,200 shares are outstanding, and share for share when the preferred outstanding are less than 161,200 shares. No dividends have been paid on the new common to date.

Price range and earnings ratio of the common shares since listed and issued in 1941 follows:

	Price Range		Earned	Price Earnings Ratio	
	High	Low	Per Share	High	Low
1943	10	5½	$0.98	10.2	5.6
1942	5⅞	2½	1.31	4.5	1.9
1941	5	3¼	0.71	7.0	4.4
Average above years				6.9	3.4
Approximate current ratio				9.1	

COMPARATIVE STATISTICS

Year Ended November 30	1943	1942	1941	1940	1939	1938
Net Profit	$ 1,322,356	$ 1,564,028	$ 1,125,118	$ 805,569	$ 705,338	$ 1,065,639
Earned Surplus	2,802,512	2,084,650	973,994	d-21,264,688	d-20,720,752	d-20,072,761
Current Assets	35,421,056	33,955,514	31,685,269	28,483,577	27,968,550	26,965,671
Current Liabilities	8,857,816	9,423,611	7,816,223	5,526,044	4,435,727	6,045,063
Net Working Capital	26,563,240	24,531,903	23,869,046	22,957,533	23,532,823	20,920,608
Cash	5,190,269	3,517,204	2,037,772	1,987,406	2,430,880	352,968
Government Bonds	6,523,429	3,466,205	423,495	194,631	225,644	255,365
Funded Debt	8,900,000	9,200,000	10,000,000	10,500,000	11,000,000	8,405,000

d—Deficit. Wipes out in capital reorganization of 1941.

KERR-ADDISON
GOLD MINES LIMITED
(No Personal Liability)

INTERIM DIVIDEND NO. 23

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on Friday, April 28th, 1944, to shareholders of record at the close of business on Friday, March 31st, 1944.

By Order of the Board.

G. A. CAVIN,
Secretary-Treasurer.

Toronto, Ontario,
March 27th, 1944.

CANADIAN BREWERIES
LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of eighty-five cents (85c) per share on the Cumulative Sinking Fund Convertible Preference Shares without nominal or par value in the Capital Stock of the Company has been declared payable on the 1st day of July, 1944 to Shareholders of record at the close of business on the 15th day of May, 1944.

By order of the Board.

W. C. BUTLER,
Secretary.

Toronto, Ontario,
March 22, 1944.

THE CANADIAN BANK OF COMMERCE
DIVIDEND NO. 229

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April 1944 and that the same will be payable at the Bank and its Branches on and after Monday, 1st May next, to shareholders of record at the close of business on the 31st March 1944. The Transfer Books will not be closed.

By Order of the Board

S. M. WEDD
General Manager

Toronto, 20th March 1944

Penmans Limited
DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1944.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of May to Shareholders of record of the 31st day of March, 1944.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 14th day of April, 1944.

By Order of the Board.

Montreal,
March 20, 1944.

C. B. ROBINSON,
Secretary-Treasurer.

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Write for our Record of Investments booklet. Keep an up-to-the-minute account of your growing capital.

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1792 1944

POLICYHOLDERS' INTERESTS
MUST COME FIRST

FOR a period of 152 years, the principle guiding all transactions between the Insurance Company of North America and its policyholders has been, and still is, that the policyholders' interests must come first. This is as it should be. They pay the premiums. In return the Company must constantly seek to provide them with ever better protection at proper cost.

Business accepted solely through Agents and Brokers.

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NORTH AMERICA COMPANIES
CANADIAN HEAD OFFICE—TORONTO
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ABOUT INSURANCE

Effect of Answers in Applications on Validity of Insurance Claims

By GEORGE GILBERT

Not all of those who take out life or accident and sickness insurance policies realize the importance of answering correctly the questions set out in the application forms, for on such answers may depend the validity of any claims arising under the contracts.

As long as the answers are truthful there will be no bar to recovery on that account, but where there are material misstatements or concealments as to health or recent or present attendance of physicians the claimant is likely to find himself out of luck and unable to collect.

AS THE answers in the application for an insurance policy may have a vital bearing on the validity of any claim arising under the contract, it is the part of wisdom to make sure that such answers are truthful. Under the common law, any fraudulent misrepresentation or concealment on the part of the insured is a cause of nullity of the contract. But the Uniform Life Insurance Act, in force in all the Provinces except Quebec, declares that life insurance policies are not void by reason of any misrepresentation or failure to disclose unless material to the contract. In Quebec the law says that "the obligation of the insured with respect to representation is satisfied when the fact is substantially as represented and there is no material concealment." The question of materiality is one of fact.

Statements as to health, in the case of life policies and accident and sickness policies, are regarded as material to the risk and, if false, as a bar to recovery. But in recent years some modification of this strict rule has taken place, so that the warranty that a person is in good health is, in the absence of fraud, to be construed liberally and not as meaning that he is free from all infirmity or disorder. In some jurisdictions it is left to the court to determine how far the insurance company was induced to enter into the contract by any misrepresentation contained in the application. In the absence of bad faith the policy will not be voided if the applicant fails to disclose an illness or accident which occurred many years before and which, although severe, would not be called serious because it did not undermine the constitution.

A Doctor's Claim

A rather unusual case occurred across the line recently in connection with an accident and sickness policy issued on January 8, 1940, to a Dr. William R. Middlemiss, physician and surgeon, who was at the time representing various insurance companies in conducting medical examinations of applicants for both life insurance and accident and sickness policies. The insurance company which issued the policy brought an action to have the contract cancelled, while the insured doctor counterclaimed for $20,000 for the loss of sight of his right eye alleged to have been caused by an accident sustained after the issuance of the policy.

At the trial, it appeared that the insured doctor, in answering questions contained in his application for the policy, stated that he was in sound condition mentally and physically, had never had any mental or physical defects, and had not received medical or surgical advice or treatment at any time during the previous five years nor had he been disabled at any time during that period.

In the policy, which was issued without medical examination, there was a provision that the falsity of any statement in the application for the policy materially affecting either the acceptance of the risk or the hazard assumed thereunder, or made with actual intent to deceive, should bar all right to recover under the policy.

There was evidence that, when five or six years old, an open safety pin had pierced the right eye of the insured and that a cataract had developed which was removed by a needling operation. As a result the lens was destroyed, and the insured had an uncorrected vision in the right eye of 20 per cent or less. While a strong magnifying lens could substantially restore or correct the vision lost by the destruction of the lens, corrected vision in that eye could not be co-ordinated with that of the left eye. Nothing was done to correct the right eye for the reason that with a corrected lens the insured would likely see double.

True in General Way

According to the testimony of the insured doctor, he was able to do his work without difficulty or handicap and was, at the time of the application for the policy, enjoying good general health and, since the questions were general, he considered that the answers he gave were true in a general way.

On July 24, 1940, the insured doctor was involved in an automobile collision resulting in a swelling of the right side of his face affecting his right eye. While the eye appeared to respond to treatment for a time, it then gradually grew worse and the insured finally went to a hospital where an operation was performed to relieve the tension and save the eyeball. The eyeball was saved but the remainder of sight in the right eye was entirely lost.

From the judgment at the trial of non-suit as to the counter-claim, the insured doctor appealed. In affirming the judgment of the trial court, the Supreme Court of Utah held that a material misrepresentation is one which ordinarily would influence a prudent insurer in determining whether to accept or reject the risk or in fixing the amount of premium in the event of such acceptance, or in excepting some risk or part thereof from coverage.

It was also held that where an insured knowingly makes a material misrepresentation, proof of an actual conscious purpose is not necessary. As the evidence produced on behalf of the insured himself established a sufficient defence to recovery under the policy by proof of a known misrepresentation of an important fact material to the risk, the trial court, it was held, properly granted the insurer's motion for an involuntary non-suit. Its judgment was affirmed. (135 Pacific (2d) 275.)

Incontestability Clause

In another interesting case, there was involved the question of fraud at the inception of the contract and the effect of the incontestability clause upon the total and permanent disability provision of a life insurance policy. On May 14, 1931, a life insurance company issued a policy to one Irving E. Weinig which included total and permanent and double indemnity benefits and which contained a provision that the policy would be incontestable after it had been in force during the lifetime of the insured for a period of two years from the date of issue, except for nonpayment of premium, provided however that any provisions or conditions relating to benefits in the event of total and permanent disability or accidental death should become void for the causes and under the conditions stated therein. Fraud was not one of the conditions therein stated.

In the application for the policy the insured stated that neither of his parents nor their brothers or sisters, or any of his brothers or sisters had died of or been afflicted with tuberculosis, insanity or any hereditary disease. In December, 1932, the insured became totally and permanently disabled from ulcerative colitis, and the insurance company thereafter paid the insured monthly disability benefits of $100 each through to February 26, 1941, and waived payment of premiums.

On February 27, 1941, the insurance company brought an action seeking cancellation of the disability provision on the ground that it was null and void from its inception. At the trial there was evidence, and the court found, that a brother of the insured had received treatment for mental disorder or insanity in mental institutions to the knowledge of the insured prior to the signing of the application.

However judgment was given in favor of the insured, and the insurance company appealed. In affirming this judgment, the Court of Appeals of New York held that where a life insurance policy provided for incontestability after two years except that provisions for disability or accidental death benefits should become void for causes therein stated, and contained no provision for voiding the policy by reason of misrepresentation or fraud in the application, the disability benefits could not be avoided for representations made in the application after the policy had been in force for two years. The incontestability clause recognizes fraud and all other defences, it was held, but provides ample time and opportunity within which they may be but beyond which they may not be established. (47 North Eastern (2d) 418.)

APPOINTED DIRECTOR CONFEDERATION LIFE

Allan A. Magee, K.C., C.B.E., of Montreal, has been appointed a policy owners' director of Confederation Life Association.

Mr. Magee is senior partner in the firm of Magee & O'Donnell, Barristers and Solicitors; President, Barclays Bank (Canada) and Barclays Trust Company of Canada; and Director, National Breweries Limited, Dominion Rubber Company Limited and McColl-Frontenac Oil Company Limited.

Certificate of Registry

Notice is hereby given that the Victory Insurance Company Limited has been granted certificate of registry No. C. 927 by the Dominion Insurance Department, Ottawa, authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

VERNER R. WILLEMSON,
Attorney.

THE LONDON & LANCASHIRE INSURANCE Co. LTD
ABSOLUTE SECURITY
W. R. HOUGHTON, MANAGER

EDWIN C. McDONALD, Vice-President in Charge of Canadian Head Office of Metropolitan Life Insurance Company who reports a total of $112,500,000 invested in War Loan and Victory Bonds to date.

Certificate of Registry

Toronto General Insurance Co. has received from the Department of Insurance, Ottawa, Certificates of Registry Nos. C 951 and C 955 authorizing the Company to transact in Canada the business of Water Damage Insurance limited to the Insurance of the same property as is insured under a policy of fire insurance of the Company and also Sprinkler Leakage Insurance, in addition to the classes for which it is already registered.

C. W. SYKES, Sec.-Treasurer.

Certificate of Registry

Canadian General Insurance Co. has received from the Department of Insurance, Ottawa, Certificate of Registry No. C 954, authorizing the Company to transact Water Damage Insurance limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in Canada, in addition to the classes for which it is already registered.

C. W. SYKES, Sec.-Treasurer.

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - $4,382,095.84
Surplus - - - - - - 2,431,602.73
—Write for Financial Statement—
Head Office: WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, and Montreal.

Insurance Inquiries

Editor, About Insurance:

In a recent issue of your paper I noticed an answer to a query relating to income tax on Dominion Government annuities and would like you to give again in your section that information, as I have misplaced the paper with your answer. The enclosed cutting from local paper regarding annuities is my reason for asking this information, as I think it is opposite to your recent explanation.

—B. G. W., Victoria, B.C.

The statements in the article in the local paper, as per clipping enclosed with your letter, only apply to Government annuities entered into since June 24, 1940. Government annuities entered into from May 26, 1932, to June 24, 1940, are exempt from income tax to the extent of $1,200 per annum, while the income from Government annuities entered into before May 26, 1932, is exempt from income tax to the extent of $5,000 per annum. There is no exemption from income tax in the case of Government annuities entered into since June 24, 1940, the entire income from such annuities being subject to tax.

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Editor, About Insurance:

Please give me some information on the following "Home" companies: American Home Fire Assurance Company, Canadian Home Fire Assurance Company, and Home Assurance Company of Canada. This will be much appreciated.

—P. J. M., Revelstoke, B.C.

All three "Home" companies are regularly licensed to do business in British Columbia. At the end of 1942, the latest date for which Government figures are available, the financial position of each of the companies was as follows: American Home Fire Assurance Company of New York, N.Y—Total assets in Canada, $182,895; total liabilities in Canada, $93,823; excess of assets in Canada over liabilities in Canada, $89,072. Canadian Home Fire Assurance Company of Montreal, Que.—Total admitted assets, $450,960; total liabilities except capital, $289,614; surplus as regards policyholders, $161,346; capital paid up, $113,906; net surplus over capital and all liabilities, $47,442. Home Assurance Company of Canada, of Calgary, Alta.—Total admitted assets, $285,949; total liabilities except capital, $138,103; surplus as regards policyholders, $147,845; capital paid up, $60,632; net surplus over capital and all liabilities, $87,213. These companies are safe to do business with, and all claims are readily collectable.

Report for 1943
LIFE INSURANCE IN FORCE .... Increase 21% $887,678,925
ASSETS .... Increase 16% 104,439,298
TOTAL PREMIUM INCOME .... Increase 22% 22,840,124
PAYMENTS TO POLICYHOLDERS ... Increase 10% 9,857,946
CAPITAL AND SURPLUS . Increase 23% 5,918,896
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NEWS OF THE MINES

Mining Men Confer on Post-War Problems of Their Industry

By JOHN M. GRANT

KEYNOTE of the discussions at the largely attended and highly enthusiastic 48th annual meeting of the Canadian Institute of Mining and Metallurgy, to which Toronto was host last week, was the various problems which the mining industry will have to face in the postwar period and how best they can be met. The irreplaceability of our mineral resources was stressed by Dr. George B. Langford, Professor of Geology, University of Toronto, who advocated a postwar mineral control policy. He suggested the establishment both nationally and internationally of the control or fixing of prices paid to primary producers of minerals and metals; the control of productive capacities and production in order to prevent over-production, and to assure that the world's needs will be met; the prorating of world markets amongst producing nations.

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Warning that taxation of mining companies must not be too heavy or it would mean a lowering of the mineral output, was given by Dr. R. C. Wallace, principal of Queen's University. He advocated a commission of mining men and other business persons be formed and given an opportunity by Government authorities to study the problem of mining taxation to find a solution which would serve the best interests of all. Discussing the postwar role of the Government in mining development, he said it might be played in prospecting certain fields, but stressed that the development and operation of mines should be left solely to those private interests whose experience and initiative in the past had led them to risk their capital and develop Canada's mineral resources.

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Delegates to the C.I.M. meeting heartily endorsed the recommendation that more geological and topographical surveys be made by the field staffs of the Governments. Dr. George Hanson, chief of the Geological Survey, Ottawa, advanced the idea that the Federal services should have 140 geologists and figured the enlarged program would not exceed $2,000,000 a year. Provincial spokesmen also concurred in the idea. The Federal geological staff numbers about 40 compared with 10,000 in Russia, and only 11 per cent of Canada has been adequately mapped geologically at the present time according to Dr. Hanson. With the present rate of progress it will take 700 years to complete the job.

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It was urged by Dr. R. C. Wallace that prospectors, who in the past have found all mines, should be trained intensively in new methods and equipped with new knowledge. He thought the Government, in addition to supplying more geological and topographical mapping, might well consider the geophysical survey of promising areas that were heavily overburdened, the information thus obtained being made public as an aid to private exploration. In this connection it is interesting to note that the Ontario Department of Mines proposes this year to closely investigate geophysical prospecting in all its phases. It is proposed to apply the various known methods to the proven areas, where definite information is already available from diamond drilling and underground work. A valuable guide may thus be worked out which may enable the same methods to be applied to unproven areas. The Kirkland Lake camp will be one of the areas to be tested in this manner.

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Abolition of Ontario's present Securities Act, as well as the Securities Commission to be replaced by a three-man part-time commission, are recommended by the Ontario Mining Commission in a report tabled in the Legislature by Premier Drew. The changes suggested will generally meet with favor and it is likely they will be quickly adopted by the Ontario Government. The report made by the government-appointed mining commission, headed by Norman C. Urquhart, after conducting widespread investigation into all phases of mining contains recommendations on prospecting, financing of mines and methods to stimulate prospecting as well as educational policies for the North. The report asked that an appeal be allowed from the rulings of the new commission. A new act is asked consolidating certain requirements of the present act. The three-man commission should be composed of a lawyer, an authority on securities and one with knowledge of requirements and conditions of the mining industry. Evidence indicates that fraudulent practice in the sale of securities to the public has reached serious proportions, and the urgency of immediate corrective measures is stressed. The commission believes that the way to give the public a fair run for its money, to prevent fraudulent practices and to encourage mining development is "to demand personal integrity and financial responsibility of those engaged in the business of selling securities to the public."

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Canada's mineral output in 1943 was valued at approximately $524,000,000, the lowest since 1939 largely as a result of the curtailment in gold mining. Base metal figures have been made public for the first time since the commencement of the war and new records were established last year in production of such important war metals as nickel, zinc, iron ore, mercury, molybdenum and tungsten. A falling off in copper and lead was evident, however, the former having reached its peak in 1941 and the latter in 1942. Gold production has been declining since 1941.

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A substantial decline in production and earnings of Preston East Dome Mines was apparent last year due to the shortage of labor, but the ore reserve position remains about the same and net working capital increased to $810,180 from $608,521. Net profit of 11.86 cents per share compared with 20.82 cents in 1942. The limited amount of development during 1943 was very encouraging and in that period a total length of 2,198 feet of new ore was opened. In recent lateral work and diamond drilling on the 12th and 13th levels interesting possibilities have been opened up.

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Although development at San Antonio Gold Mines has had to be greatly curtailed the ore reserve position is practically unchanged. The proven ore at the year's end stood at 916,471 tons which at last year's rate of milling is sufficient for five and a half years. An average of 457 tons per day was treated in 1943 which was 90 tons per day less than in the previous year. Net earnings were 25 cents per share and net working capital was strengthened, the balance, aside from investments and prepaid expenses, amounted to $1,016,873 at the close of the period, as against $758,533 at the end of 1942.

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A net profit of 21.9 cents per share was reported in 1943 by Macassa Mines as compared with 32½ cents per share in the previous year. Net working capital of $549,754 was down slightly from the previous year when it stood at $606,548. Positive ore reserves were well maintained at a total of 1,030 feet of new ore being drifted on during the year. It is planned this year to continue developing indicated branch veins throughout the mine down to the present bottom level. Equipment for deepening the main winze below the 4,250-foot level is installed and this work will be proceeded with as soon as conditions permit.

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East Malartic Mines officials are hopeful that the entire cost of the development program involving expenditures of around $1,000,000, previously referred to in these columns, can be absorbed in operating expenses and that when completed the company's present strong treasury position will be little impaired. At the end of 1942 current assets in excess of liabilities were approximately $1,120,000, and this figure should be considerably higher now. The big development program includes the sinking of five-compartment shaft to 4,000 feet. Indications at present point to likelihood of increased tonnage this year and also improvement in average recovery.

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Ore reserves at the Hollinger Consolidated Gold Mines are being well maintained despite difficult operating conditions. Combined with those of the Ross mine they totalled 7,735,904 tons valued at $89,510,480 (gold $35 per oz.) at the end of 1943, as against 7,881,713 tons worth $90,984,043 at the end of the previous year. A reduction of 167,185 tons was shown at Hollinger while Ross had an increase of 22,006 tons. Net profit for the year was approximately 68 cents per share as compared with 91.19 cents in the previous 12 months. Net working capital increased from $4,273,917 to $5,035,623.

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If Canada's mining industry is to survive the need for a more enlightening taxation policy becomes more and more urgent. As pointed out by J. D. Perrin, President of San Antonio Gold Mines, "it has been a trite saying of the tax collector, 'we have to get money'. I say our economy must have employment for the people and that cannot be had in gold mining unless investment in the industry is at least made to look attractive." Mr. Perrin adds that "from the purely selfish angle of the tax gatherers, the stimulus of a proper tax on the gold mining industry could, after the war, cause tremendous sums of 'adventure' money to be spent all through Northern Canada, win, lose or draw as far as dividends are concerned. This could be an important factor in mitigating unemployment in the transition period from war to peace in this country."

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With a view to determining if the Larder Lake carbonate break carries west to the southern surroundings of the Kirkland Lake camp proper, Macassa Mines has secured some four miles of prospect ground in Lebel township. Two companies have been formed, each of 3,000,000 share capitalization, and once the snow disappears Macassa propose to geologize, trench and diamond drill the ground. Belrosa Mine comprises 30 claims and Sylvanite Gold Mines is participating in the exploration of this group. The other company, Rocamsa Mines consists of 24 claims and Macassa will finance this company alone.

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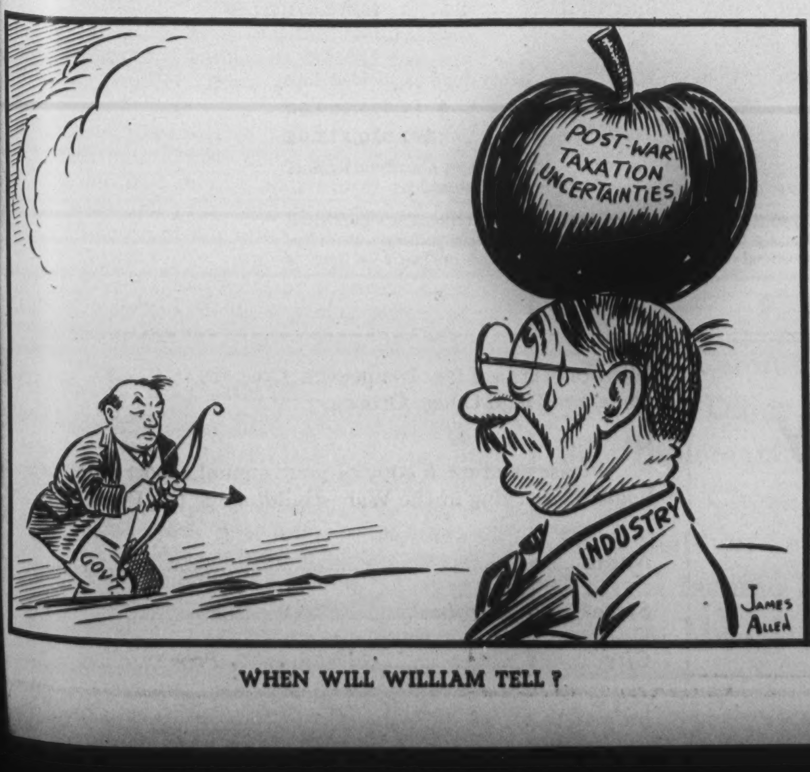
As a result of the manpower shortage Leitch Gold Mines last May discontinued lateral development, but the ore in 1943 increased despite this. Ore reserves now stand at 210,160 tons valued at $6,800,903 (gold at $38.50 oz.). While some extension to ore on the 12th and 13th levels is expected when development is resumed, most of the main known ore lengths have been developed to the 14th level, and further additions to ore must largely await development of deeper levels. Net earnings for 1943 were 8.42 cents per share as compared with 10.77 cents in 1942. Net working capital increased to $791,903 from $731,199.



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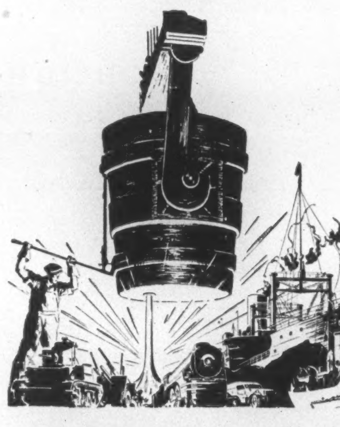

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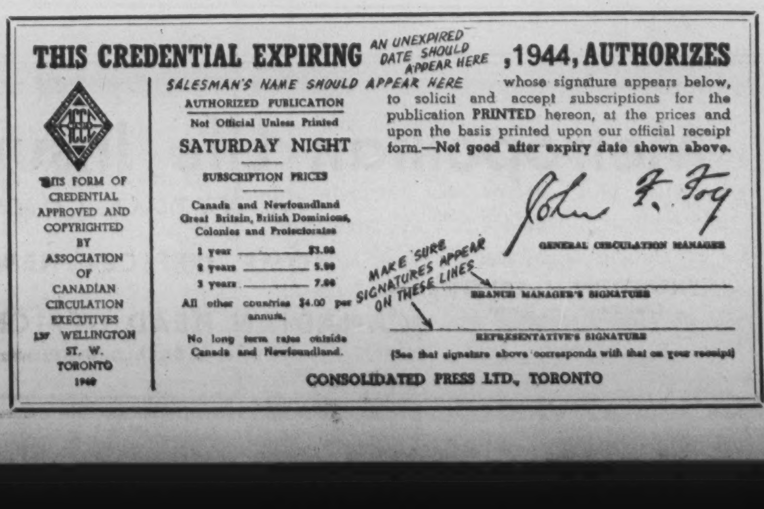

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While literally hundreds of public and private agencies are thinking of postwar planning, there are a few things that realistic individuals are sure of. They know that first and foremost the war has to be won and nothing should interfere with all-out efforts toward this end.

They know that economic tides ebb and flow; that the future, like the past, will experience good times and bad; that when bad times come, many people will face economic hardships.

They know that they, like everyone else, are growing older; that the life of any individual is uncertain; and that in accordance with the immutable laws of nature, heads of families will continue to pass on.

Knowing these things, some 30 million people insured by Metropolitan in Canada and the United States are providing definite measures of protection against these uncertainties of life through some 29 billion dollars of life insurance.

In addition to providing an anchor to windward for the individuals involved and for their families, the thrift of these policyholders is bound to be of a stabilizing character during the postwar period.

This is Postwar Realism of the highest order.

HIGHLIGHTS OF 1943 OPERATIONS IN CANADA

These highlights of the Company's business in the Dominion during 1943 will be of particular interest to Metropolitan Canadian policyholders and their beneficiaries.

Investments in Canada:

Dominion Government Bonds	$172,233,733.01
Provincial and Municipal Bonds	89,749,717.58
All other investments	97,136,407.96
	$359,119,858.55

Included in the above figures are Victory and War Loan investments of $112,500,000.

Payments to Canadian Policyholders and their beneficiaries during 1943—$27,367,504.28.

Life Insurance in Force in Canada, end of 1943:

Ordinary	$869,942,347
Industrial	544,454,005
Group	141,615,017
	$1,556,011,369

Number of policies in force in Canada, end of 1943—2,885,905.

Paid-for Life Insurance issued in Canada during 1943—$176,849,896.

The total amount the Metropolitan has paid to Canadians since it entered Canada in 1872, plus the amount now invested here, exceeds the total premiums received from Canadians by more than $222,000,000.

BUSINESS REPORT FOR 1943

OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS

Policy Reserves Required by Law This amount, together with future premiums and interest, is required to assure payment of all future policy benefits.	$5,537,595,431.67
Policyholders' Funds Policy proceeds and dividends left with the company at interest to be paid out in future years.	255,604,009.54
Reserved for Dividends to Policyholders Set aside for payment in 1944 to those policyholders eligible to receive them.	105,674,814.00
Other Policy Obligations Claims in process of settlement, estimated claims not yet reported, premiums paid in advance, etc.	52,027,949.91
Taxes Due or Accrued Includes estimated amount of taxes payable in 1944 on the business of 1943.	20,523,324.00
Reserve for Investments To provide against possible loss or fluctuation in their value.	62,347,000.00
Miscellaneous Liabilities	23,495,304.45
TOTAL OBLIGATIONS	$6,057,267,833.57

ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS

Government Securities		$2,353,375,600.15
U. S. Government	$2,181,141,867.14	
Canadian Government	172,233,733.01	
Other Bonds		2,028,916,055.62
U. S. State and Municipal	48,213,934.88	
Canadian Provincial and Municipal	89,749,717.58	
Railroad	547,354,089.75	
Public Utilities	829,416,829.35	
Industrial and Miscellaneous	514,181,484.06	
Stocks All but $680,138.00 are Preferred or Guaranteed.		87,370,538.01
First Mortgage Loans on Real Estate		924,476,078.57
Farms	87,981,134.22	
Other Property	836,494,944.35	
Loans on Policies Made to policyholders on the security of their policies.		408,746,108.58
Real Estate Owned Includes $59,821,102.96 real estate under contract of sale and $143,580,643.66 Housing Projects and real estate for Company use.		366,977,963.12
Cash		135,436,989.06
Other Assets Premiums due and deferred, interest and rents due and accrued, etc.		158,504,218.48
TOTAL ASSETS TO MEET OBLIGATIONS		$6,463,803,551.59

Highlights of 1943 Operations

Life Insurance in Force, End of 1943	**$29,180,396,994.00**
Paid-for Life Insurance Issued During 1943	**2,305,262,410.00**
Amount Paid to Policyholders During 1943	**554,873,243.55**

Assets exceed Obligations by $406,535,718.02. This safety fund is divided into

Special Surplus Funds	**$ 14,525,000.00**
Unassigned Funds (Surplus)	**392,010,718.02**

These funds, representing about 7% of the obligations, serve as a cushion against possible unfavourable experience due to war or other conditions.

NOTE:—Assets carried at $304,333,580.62 in the above statement are deposited with various public officials under requirements of law or regulatory authority. Canadian business embraced in this statement is reported on basis of par of exchange.

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